SYCOMORE SELECTION RESPONSABLE

Prospectus
15/11/2023

UCITS under European Directive 2009/65/EC

1. GENERAL CHARACTERISTICS

1.1 UCITS features

French Fonds Commun de Placement (FCP)

1.2 Name

Sycomore Sélection Responsable

1.3 Legal form and Member State in which the UCITS was created

Investment fund in the form of a French Fonds Commun de Placement, governed by French law.

1.4 Inception date and expected term

The Fund was created on 24 January 2011, for a term of 99 years as of that date.

1.5 Fund overview

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
I	FR0010971705	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	None
ID	FR0012719524	Accumulation and/or Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
ID2	FR0013277175	Accumulation and/or Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
I USD H	FR0013320314	Accumulation	USD (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
I CHF H	FR0050000993	Accumulation	CHF (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
I GBP H	FR0050000985	Accumulation	GBP (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	€100
A	FR0013076452	Accumulation	EUR	All investors	€100
R	FR0011169341	Accumulation	EUR	All investors	None
RP	FR0010971721	Accumulation	EUR	All investors	€100
R USD H	FR0013320306	Accumulation	USD (hedged)	All investors	€100
Z	FR0014006PY9	Accumulation	EUR	‘Eligible counterparty 'subscribers within the meaning of Directive 2004/39/EC and’ professional investor' subscribers within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to prior approval by the Management Company.	None

Units labelled with "H" or "hedged" are hedged against currency risk between the denomination currency of the unit and the Fund's reference currency (euro).

1.6 The latest annual report and interim statement can be obtained as follows:

The latest annual and interim reports will be sent within eight working days upon written request by a unit holder to:

Sycomore Asset Management, SA
14, avenue Hoche
75008 Paris

Tel: +33 (0)1 44 40 16 00
Email: info@sycomore-am.com

Additional information may be obtained if necessary from the investor relations department.

2. STAKEHOLDERS

2.1 Management Company

Sycomore Asset Management, SA. Approved by the AMF as a French Portfolio Management Company (Société de Gestion de Portefeuille) under no. GP 01-30 with registered office located at 14, Avenue Hoche, 75008 Paris, France.

2.2 Depositary and custodian

BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France, and whose postal address is at 9, Rue du Débarcadère, 93500 Pantin, France, registered with the Paris Trade and Companies Register under number 662 042 449.

Description of the Depositary's responsibilities and of the potential conflicts of interest:

The depositary exercises three types of responsibilities, respectively the control of the legality of decisions taken by the management company (as defined in article 22.3 of the UCITS V Directive), the monitoring of cash flow for the UCITS (as defined in article 22.4 of said Directive) and the safekeeping of assets of the UCITS (as defined in article 22.5 of said Directive).

The main responsibility of the Custodian is to always protect the interests of unit-holders / investors in the UCITS above their own commercial interests.

Potential conflicts of interest may be identified, particularly in the case where the management company also has a commercial relationship with BNP Paribas SA in addition to its appointment as Depositary (which may be the case when BNP Paribas SA calculates, by delegation from the management company, the net asset value of a UCITS whose depositary is BNP Paribas SA).

In order to manage such situations, the Custodian has set up and maintains a policy for the management of conflicts of interest. The objectives of such a policy are:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - using the permanent measures implemented in order to manage conflicts of interest, such as the segregation of duties, the split between the functional and hierarchical reporting lines, the monitoring of internal insider lists, and dedicated IT environments
  - Implementing on a case-by-case basis:
    - Appropriate preventive measures, such as the creation of ad hoc monitoring, new "Chinese walls", or checking that transactions are processed in an appropriate way and/or informing the relevant clients
    - Or refusing to manage the activities that could give rise to conflicts of interest.

Description of potential duties delegated by the Depositary, list of delegates and sub-delegates and identification of the conflicts of interest that may result from such delegation.

The UCITS Depositary, BNP Paribas SA, is responsible for the safekeeping of the assets (as defined in article 22.5 of the aforementioned directive). In order to offer services related to the safekeeping of the assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub-custodians in countries where BNP Paribas SA has no local presence. These entities are listed on the following website: http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html. The process of appointing and supervising the sub-custodians follows the highest standards of quality, including managing potential conflicts of interest that may arise in the context of such appointments.

The most recent information regarding the previous points is available to investors upon request.

2.3 Delegated institution in charge of the centralisation of subscription and redemption orders

Sycomore Asset Management SA has delegated all centralisation tasks for subscription and redemption orders to the following institutions:

<u>For pure registered shares to be registered or registered in the shared electronic registration facility:</u>
IZNES SAS. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR), on 22 June 2020, whose registered office is at 18, Boulevard Malesherbes, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 832 488 415.

<u>For all other units:</u>
BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France, and whose postal address is at 9, Rue du Débarcadère, 93500 Pantin, France, registered with the Paris Trade and Companies Register under number 662 042 449.

Each of the establishments will assume, by delegation from the Management Company, all of the tasks relating to the centralisation of subscription and redemption orders for units of the UCI, and according to the distribution defined above, BNP Paribas SA is in charge, at the Fund level, of aggregating the information relating to the centralisation carried out by IZNES.

2.4 Fund unit registrar

For bearer/administered registered units to be registered or registered with Euroclear:
BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France, and whose postal address is at 9, Rue du Débarcadère, 93500 Pantin, France, registered with the Paris Trade and Companies Register under number 662 042 449.

For pure registered shares to be registered or registered as part of the shared electronic registration system:
IZNES SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR), on 22 June 2020, whose registered office is at 18, Boulevard Malesherbes, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 832 488 415.

2.5 Statutory Auditor

PricewaterhouseCoopers Audit, represented by Frédéric Sellam, 63 rue de Villiers, 92200 Neuilly-sur-Seine, France.

2.6 Marketing Agents

Sycomore Asset Management and its subsidiaries. The list of marketing agents is not comprehensive insofar as the investment fund is listed on Euroclear. Therefore some marketing agents may not be mandated by, or known to the asset management company.

2.7 Delegated fund accountant

BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) whose registered office is located at 16, Boulevard des Italiens, 75009 Paris, France, and whose postal address is at 9, Rue du Débarcadère, 93500 Pantin, France, registered with the Paris Trade and Companies Register under number 662 042 449.

2.8 Institution responsible for receiving and transmitting orders from the management company

Sycomore Market Solutions, SA. Investment firm approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution) whose registered office is located at 14, avenue Hoche, 75008 Paris, France. Sycomore Market Solutions may receive orders initiated by the management company on behalf of the Fund to ensure the transmission of such orders to market intermediaries and counterparties with the primary mission of seeking the best possible execution of such orders.

3. OPERATING AND MANAGEMENT PROCEDURES

3.1 General features

3.1.1. Unit Class characteristics

Nature of the rights attached to the units: The various units represent rights in ownership, i.e. each unit holder has a joint ownership right over the Fund's assets in proportion to the number of units held.

Securities administration:As part of the Fund's liability management, the functions of centralising subscription and redemption orders are performed by BNP Paribas SA for bearer/ administered registered units to be registered or registered in EUROCLEAR and by IZNES SA for pure registered units to be registered or registered in the shared electronic registration facility (Dispositif d'Enregistrement Electronique Partagé, DEEP), with the unit issuer account keeping being performed by BNP Paribas SA. These tasks are carried out by delegation from the management company.

Voting rights:no voting rights are attached to the units as decisions are made by the management company.

Form of units:units shall be issued in bearer, administered registered or pure registered form, the latter hypothesis particularly regarding the units that will be registered in the IZNES shared electronic registration facility for subscribers that will have access to this system.

Subdivision of units: Fund units are decimalised in hundred-thousandths (e.g. 100.00000). Subscription and redemption orders may be expressed in a fractionalised number of units or in cash value.

3.1.2. Accounting year-end

Last trading day in March. The closing date of the first financial year was the last trading day in March 2012.

3.1.3. Tax regime

The Fund is not taxable per se. Unit holders may however be liable to tax upon the sale of their units. The tax regime governing capital gains or losses by the Fund, whether unrealised or realised, depends on the tax provisions applying to the specific case of each investor and his/her tax domicile and/or the Fund's investment jurisdiction. Investors who are unsure of their tax situation should seek advice from an advisor or a financial professional.

French personal equity savings plan eligibility (PEA): This fund is eligible for the PEA.

3.1.4. Information on SRI certification

The Fund has a French SRI label and/or a foreign equivalent.

3.2 Specific provisions

3.2.1. ISIN Codes

Unit Class	ISIN Code
I	FR0010971705
ID	FR0012719524
ID2	FR0013277175
I USD H	FR0013320314
I CHF H	FR0050000993
I GBP H	FR0050000985
A	FR0013076452
R	FR0011169341
RP	FR0010971721
R USD H	FR0013320306
Z	FR0014006PY9

3.2.2. Classification

Euro zone Equities.

3.2.3. Investment objective

The Fund aims to outperform the Euro Stoxx Total Return index over a minimum investment period of five years, using a socially responsible multi-thematic process to invest in euro zone equities, in line with the UN Sustainable Development Goals.

3.2.4. Benchmark

The benchmark is the Euro Stoxx Total Return index (with dividends reinvested). This index measures the growth of shares listed on Euro zone equity markets. The index consists of approximately 300 stocks. The free-float of each stock is used as a reference to determine its weight in the index. The administrator of the Euro Stoxx Total Return benchmark index is Stoxx, and is entered in the register of administrators and benchmark indices maintained by the ESMA. Additional information on this index is available at: https://www.stoxx.com/indices.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, Sycomore Asset Management has a procedure for monitoring the benchmark indices used describing the measures to be implemented in case of substantial changes made to an index or the cessation of the provision of that index.

3.2.5. Investment strategy

Description of strategies used:

The Fund's investment strategy is based on a net asset exposure of 60% to 100% to Eurozone equities. These shares are selected based on a thorough fundamental analysis of companies, without sector or capitalisation restrictions. The net assets may therefore be exposed up to 100% to shares in small cap companies, i.e. with market capitalisation of less than 7 billion euros. It aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the management team.

The construction of the Fund's portfolio does not take into account the composition of the benchmark. The weighting of each company in the portfolio is therefore entirely independent from the weighting of that same company in the CAC All-Tradable NR index. As such, it is possible that a company in the Fund's portfolio does not appear in the composition of the benchmark or that a company well represented in the benchmark is excluded from the Fund's portfolio.

Equities eligible for the French personal equity savings plan (Plan d'épargne en actions, PEA) represent at least 75% of the net assets at all times, which may, where applicable, focus on a limited number of stocks.

The net assets may be exposed up to 10% to equities listed on stock markets outside the Eurozone such as Switzerland, Great Britain, Norway or the United States, following the same selection criteria. Investments in equities of companies listed on emerging markets are prohibited. The currency risk exposure is limited to 10% of the fund assets.

The Fund is actively managed and the portfolio structure does not reflect the composition of the aforementioned benchmark. The weighting of each company in the portfolio is therefore entirely independent from the weight of the same company in the benchmark, and it may well be that a company whose securities are held in the portfolio is not a benchmark component, or equally, that a company which is heavily weighted in the benchmark is not included in the Fund portfolio.

In addition to these equity investments, which represent the Fund's core investment strategy, the management team may expose the net assets to the following financial instruments:

1. Bonds, including convertible bonds and other euro-denominated debt securities, without sector or regional restrictions (other than the prohibition of emerging market securities), with a minimum rating of BBB-; exposure to these financial instruments may not exceed 25% of the Fund's net assets. They are selected based on credit ratings and proposed yield without reference to a modified duration target for the portfolio. It also includes non-financial criteria, which lead to the selection of issuers with ESG criteria that are relevant to the overall analysis of issuer risk.

2. Money market instruments, to hedge the portfolio against expected downside in the above-mentioned equity markets. The management team may thus expose up to 25% of the Fund's net assets to French treasury bonds and to negotiable certificates of deposit (henceforth referred to as "negotiable CDs") from private issuers having their registered office in an OECD member state and rated at least AA or equivalent by the rating agencies (Standard & Poors or the equivalent, Moody's and Fitch Ratings), these negotiable CDs must have a residual life of less than three months.

3. French or European UCITS-compliant funds, up to 10% of the Fund's net assets. These investments may be made in line with the investment strategy (equity, fixed income or diversified UCITS) or in order to manage the Fund's cash flow (money market UCITS). These UCIs benefit from, or are committed to benefiting within one year from French SRI (Socially Responsible Investment) and/or Greenfin and/or Finansol labels, or equivalent foreign labels, codes or charters. The share of UCITS that do not yet have one of the abovementioned labels is limited to 1% of the net assets. The selection of these UCITS can be made without restrictions in terms of SRI methodologies used by their respective managment companies.

4. Financial futures and embedded derivative instruments, used either to hedge the net assets against an expected downside in the above-mentioned equity markets or to expose it to a potential upside in these same markets.
In these circumstances, the Fund may enter into over-the-counter contracts in the form of Contracts for Difference (henceforth referred to as CFDs). The underlying components of CFDs are shares or equity indices.
The portfolio's off-balance sheet commitments shall not exceed the total value of the Fund's assets at any time. Total exposure to equity risk relating to off-balance sheet commitments and equity positions cannot exceed the total value of the Fund's assets. The portfolio's total exposure to equities therefore cannot exceed 100%.

The policy for the use of derivatives is consistent with the Fund's objectives and is consistent with its aim for a long-term perspective. It does not undermine the ESG selection policy in a significant or lasting manner. The use of financial derivatives is limited to techniques for efficient management of the portfolio of securities in which the Fund is invested. The Fund may not hold short positions in an asset selected as ESG according to its own ESG asset selection method.

This approach aims to foster companies' ESG practices by voting at general meetings and, where applicable, submitting resolutions, and, more broadly, through dialogue with companies.

Given the environmental and/or social characteristics promoted by the Fund, it will fall under article 8 of the SFDR (Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector). The information relating to the environmental and social characteristics promoted by the fund is available in the SFDR precontractual information document attached to this Prospectus.

Asset classes and financial futures in the portfolio:
The following assets are likely to be included in the Fund's portfolio.

Equities
The exposure to Eurozone equities (excluding Slovenia and Slovakia) varies between 60% and 100% of the Fund's net assets, with the portfolio remaining at least 75% invested, at all times, in equities eligible for the French personal equity savings plan (Plan d'épargne en actions, PEA).

Stock-picking is carried out without any sector or capitalisation restrictions. The net assets can therefore be exposed up to 100% to small-cap equities.
The net assets may be exposed up to 10% to equities listed on stock markets outside the Eurozone such as Switzerland, Great Britain, Norway or the United States, following the same selection criteria. Investments in equities of companies listed on emerging markets are prohibited.

Debt securities and money-market instruments
Net assets may include between 0% and 25% bonds and other euro-denominated debt securities, without any sector restrictions and with a minimum rating of BBB-. Their issuers must have their registered office in an OECD member state. They are selected based on credit ratings and proposed yield without reference to a modified duration target for the portfolio. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other criteria, the ratings issued by the credit rating agencies (Standard & Poors, Moody's, Fitch Ratings). A minimum rating of BBB or equivalent is required for an investment to pass the selection filter and be eligible to the portfolio.

To manage the fund's cash, the portfolio may include negotiable debt securities. No investments pertaining to this asset category may exceed 25% of the fund's net assets.

Such securities may come from public issuers (up to 25% of fund net assets in fixed-rate French treasury bonds) or corporate issuers (negotiable CDs up to 10% of fund net assets) with no pre-set restriction on the breakdown between these two categories.

Only those securities with residual lives of less than three months may be added to the portfolio. The credit quality of the issuers is assessed by the investment team whose credit analysis takes into account, among other criteria, the ratings issued by the credit rating agencies (Standard & Poors, Moody's, Fitch Ratings). A minimum rating of AA or equivalent is required for an investment to pass the selection filter and be eligible to the portfolio. The management team performs its own credit analysis and does not rely solely on rating agencies to assess issuers' credit risk.

Units or shares of UCIs
The net assets of the Fund may include up to 10% units or shares of European UCITS or French UCIs which invest less than 10% of their assets in UCITS or other mutual funds.

The Fund may also invest in money market funds in order to manage the Fund's cash flow, or equity, fixed income or diversified UCIs with a management strategy which complements that of the Fund and which contributes towards achieving the performance target.
These UCIs are selected by the management team following meetings with the fund managers. The main investment criteria applied, apart from ensuring the strategies are complementary, is the sustainability of the investment process.

The Fund may invest in UCIs marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

Derivatives
The Fund operates in all regulated and organised markets in France or in other countries.
The fund uses futures and option strategies.

Futures and options strategies are intended either to hedge the portfolio against the downside risk in an underlying equity asset, or to increase portfolio exposure in order to capitalise on the upside in an underlying equity asset.

These strategies are however only contributing on an ancillary basis to achieve investment management targets. These strategies nevertheless enable a fund manager anticipating a period of equity market weakness to reduce equity exposure (hedging strategy involving equity indices or certain stocks which the fund manager considers overvalued) or conversely, to increase portfolio exposure when the fund manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally.

Foreign exchange derivatives may also be used to hedge exposure of the Fund or a category of unit to one currency or to adjust overall exposure of the Fund to foreign exchange risk.

Securities with embedded derivatives
The Fund deals in financial instruments with embedded equity derivatives.

The instruments used are: warrants, equity warrants, investment certificates, as well as bond-type securities with a conversion or subscription right including convertible bonds, bonds redeemable into new or existing shares and equity-warrant bonds.
These instruments are used in order to expose the portfolio to one or more companies that satisfy the selection criteria defined above. The aggregate total weight of these investments in the Fund portfolio shall not exceed 25% of its net assets.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Fund's assets at any time. Total exposure to equity risk relating to off-balance sheet commitments and equity positions cannot exceed the total value of the Fund's assets. The portfolio's total exposure to equities therefore cannot exceed 100%.

Over-the-counter contracts: the Fund may enter into over-the-counter contracts in the form of ‘Contracts for Differences’ (henceforth referred to as CFDs). The underlying components of CFDs are stocks or global equity indices.
CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Fund's assets at any time. If equity exposure increases through the use of derivatives or securities with embedded derivatives, it shall not exceed 100% and will therefore not lead to overexposure.

There are no plans to use Total Return Swaps in connection with the management of the Fund.

Use of deposits
There are no plans to use deposits in connection with the management of the Fund.

Cash loans
In the normal course of business, the Fund may on occasion find itself in debt and in that case may borrow cash, up to the limit of 10% of its net assets.

Temporary acquisitions and sales of securities
There are no plans to use temporary acquisitions or disposals of securities in relation to the management of the Fund.

3.2.6. Contracts constituting financial guarantees

The Fund does not receive any financial guarantees as part of the authorised transactions.

3.2.7. Risk profile

Risks incurred by the Fund:

- **Risk of loss of principal as:** 1) The Fund’s performance may not meet investment objectives or investor targets (which depend on their portfolio composition); 2) The principal invested may not be entirely returned; 3) The performance may be adversely affected by inflation.

- **General equity risk,**due to exposure of between 60% and 100% to equity markets through investments in equities, equity-exposed UCIs, convertible bonds and financial derivative instruments with equity underlying assets. There is a risk that an investment market will decline or that the value of one or more shares will decline, due to a market shift. NAV may decrease if equity markets fall.

- **Specific equity risk**, on account of equity exposure between 75% and 100% of the assets. This is the risk that the value of one or more shares will decline due to unfavourable news regarding the company itself or a company in the same business sector. In the event of unfavourable news on one of the companies held in the portfolio or on its business sector, the Fund’s NAV could decline.

- **Specific risk relating to companies with low market capitalisation**, due to the possibility that up to 100% of the Fund's assets are invested in the shares of companies with low capitalisations. In this regard, investors should bear in mind that the small and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors. This is the risk that some purchase or sale orders may not be fully executed on account of the limited quantity of securities available on the market. These stocks may be subject to higher volatility than large-caps and weigh on the NAV.

- **The risk incurred from discretionary management**, as the management team may freely allocate Fund assets between the various asset classes.
  The discretionary management style is based on anticipating trends in various markets (equity, bond). There is a risk that the Fund will not be invested at all times on the best-performing markets and that this results in a drop in the net asset value of the Fund.

- **Fixed-income and credit risk**, due to the fund’s ability to hold fixed-income products, debt securities and money-market instruments up to 25% of its assets;

Interest rate risk:
- the risk that the rates decline when investments are made at a variable rate (lower rate of return);
- the risk that rates will rise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels.

The net asset value may decrease in the event of an adverse variation in interest rates.

Credit risk is the risk that the issuer of a debt security is no longer able to reimburse the debt, or that its rating is downgraded, which could then lead to a decrease in the Net Asset Value (NAV).

- **risk incurred by convertible bond investments**, given that the Fund may be exposed up to 25% to convertible bonds. This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: the level of interest rates, change in the price of underlying shares and the change in the price of a derivative embedded in a convertible bond.

- **Foreign exchange risk** as some eligible financial instruments may be listed in currencies other than the euro. In this regard, investor attention is drawn to the fact that the Fund is subject to foreign exchange risk of up to a maximum amount of 10% of its assets for a French resident;

  Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Fund's benchmark currency, i.e. the Euro, which could then lead to a decrease in NAV.

- **counterparty risk**, the management team may enter into over-the-counter derivative contracts with financial institutions having their registered office in the European Union or in the United States and subject to the prudential supervision rules from authorities. This is the risk that a counterparty defaults and is no longer able to transfer the money due to the fund as a result of a transaction, i.e. collateral deposits or realised gains. This risk is capped at a maximum of 10% of the portfolio per counterparty. In the event of a counterparty default, the Net Asset Value may fall.

- **Methodology risk related to socially responsible investment (SRI):**

ESG factors can vary depending on investment themes, asset classes, investment philosophy and the subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to some extent be subjective or based on measures which may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many cases, based on qualitative assessment and judgment, particularly in the absence of well defined market standards and due to the existence of multiple SRI approaches. An element of subjectivity and discretion is therefore inherent in the interpretation and use of ESG data. It may therefore be difficult to compare strategies incorporating ESG criteria. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ materially from fund to fund. The application of ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons and, as a result, may cause certain market opportunities available to funds that do not use ESG or sustainability criteria to be lost. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk of incorrect valuation of a security or issuer resulting in the improper inclusion or exclusion of a security. ESG data providers are private companies that provide ESG data for a variety of issuers. They may therefore change the valuation of issuers or instruments at their discretion. The ESG approach can evolve and develop over time, due to the refinement of investment decision processes to take ESG factors and risks into account, and/or due to legal and regulatory developments.

- **Sustainability risk**: as a result of climatic events which may result from climate change (physical risks) or the company's response to climate change (transition risks), which may have a negative impact on the Fund's investments and financial condition. Social events (e.g. inequality, inclusion, labour relations, investment in human capital, accident prevention, changes in client behaviour, etc.) or governance instabilities (e.g. significant and recurrent breach of international agreements, corruption issues, product quality and safety, sales practices, etc.) may also constitute sustainability issues. These risks are integrated into the investment process and risk monitoring as they represent potential or actual material risks and/or opportunities to maximise long-term returns. These risks are taken into account through the use of ESG criteria and more specifically through our SPICE methodology. The consequences of the occurrence of a sustainability risk are numerous and vary depending on the specific risk, region and asset class. For example, when a sustainability risk occurs for an asset, it will have a negative impact on the asset's value and may result in a total loss of value.

3.2.8. Guarantee or protection

None.

3.2.9. Target investors and target investor profile

Unit Classes I, ID and ID2 are referred to as 'clean shares', and are specifically aimed at 'eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary and non-monetary benefits paid or provided by the management company or by the promoter of the Fund ('clean share' units)

Z units are available to all 'eligible counterparty' subscribers within the meaning of Directive 2004/39/EC and subscribers who are 'professional investors' within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to the prior approval of the management company.

The other units apply to all subscribers.

The Fund is aimed at all investors and may be used within unit-linked life insurance policies. In particular, it targets investors that are willing to accept major fluctuations in equity markets and with an investment period of at least five (5) years.

The reasonable amount to invest in this Fund depends on your personal situation. In order to assess your financial situation, you must take into account your personal assets, your current needs and your needs over the next five years, as well as your willingness to take on risk or, conversely, to opt for a more prudent investment. You are also strongly advised to sufficiently diversify your investments so that they are not exposed solely to the risks incurred by this Fund.

The units in the Fund, which is a Foreign Public Fund within the meaning of Section 13 of the US Bank Holding Company Act, have not been registered or reported to the US authorities pursuant to the US Securities Act of 1933. Hence, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or for the benefit of a "U.S. Person" within the meaning of the US Regulation (Regulation S).

3.2.10. Calculation and allocation of distributable sums

The allocation of distributable amounts varies from one unit class to another.
Unit Classes I, R, A, RP, and Z: the distributable amounts are fully accumulated.
Unit Class ID: distributable amounts will be distributed, in whole or in part, in accordance to the conditions set out in section 9 of the Fund Regulation.
Unit Class ID2: distributable amounts will be distributed, in whole or in part, in accordance with the conditions set out in section 9 of the Fund Regulation except the amounts arising from realised capital gains, which will be accumulated.

The management company shall decide on the allocation of distributable sums each financial year.

Distribution frequency: annual, with the possibility of quarterly interim distribution.

Units	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
I	FR0010971705	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	None
ID	FR0012719524	Accumulation and/or distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary and non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (clean share class).	€100
ID2	FR0013277175	Accumulation and/or distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary and non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (clean share class).	€100
I USD H	FR0013320314	Accumulation	USD (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary and non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (clean share class).	€100
I CHF H	FR0050000993	Accumulation	CHF (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or marketing agent of the Fund (clean share class).	€100
I GBP H	FR0050000985	Accumulation	GBP (hedged)	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary and non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund (clean share class).	€100
A	FR0013076452	Accumulation	EUR	All investors	€100
R	FR0011169341	Accumulation	EUR	All investors	None
RP	FR0010971721	Accumulation	EUR	All investors	€100
R USD H	FR0013320306	Accumulation	EUR	All investors	€100
Z	FR0014006PY9	Accumulation	EUR	‘Eligible counterparty 'subscribers within the meaning of Directive 2004/39/EC and' professional investor' subscribers within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to prior approval by the Management Company.	None

3.2.11. Conditions for subscribing and redeeming shares

Orders for subscription or redemption of units to be registered or registered as bearer/administered registered units in Euroclear, are centralised by BNP Paribas SA (Postal address: 9, Rue du Débarcadère, 93500 Pantin, France) on each NAV calculation day (D) at 12:00 pm. Orders for pure registered units to be registered or registered in the IZNES shared electronic registration system (Dispositif d'Enregistrement Électronique Partagé, DEEP) are received at any time by IZNES and centralised by IZNES on each NAV calculation day (D) at 12:00 pm. These orders are then executed at an unknown price on the basis of the following business day NAV (D+1). The resulting payments are made on the following second business day (D+2).
In summary, subscription and redemption orders are executed in accordance with the table below, unless any specific deadline is agreed upon with your financial institution:

D: Day on which the net asset value is determined	D+1 business day	D+2 business days
Centralisation of subscription and redemption orders before 12:00 pm (CET)	Publication of the Net Asset Value of D	Delivery of Subscriptions Settlement of Redemptions

Investors should note that requests sent to distributors, other than the financial institution mentioned above, must take into account the fact that the cut-off time for the centralisation of requests applies to the aforementioned distributors vis-à-vis BNP Paribas Securities Services. As a result, these distributors may apply their own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline with BNP Paribas Securities Services.

Holders can switch from one unit class to another by passing a redemption order in the units of the share class held, followed by a subscription order for units in another share class. Investors should be aware that switching from one unit class to another triggers the application of the tax regime governing capital gains or losses on financial instruments.

NAV calculation date and frequency: The net asset value is determined each day (D) the Paris stock market is open, with the exception of legal holidays in France. This NAV is calculated on the following business day (D+1), based on the preceding day's closing prices (D).

Place and methods of publication or communication of net asset value: The net asset value is available upon request from Sycomore Asset Management and on its website (www.sycomore-am.com).

Applicable as at 31/12/2023: Capping Mechanism for Redemptions (or 'gate'):
In accordance with the regulations in force, the Management Company may make temporary redemption capping decisions (hereinafter the 'Capping Decision') if exceptional circumstances so require and if holders' best interests so require, in order to avoid imbalances between redemption requests and the Fund's net assets that would prevent the Management Company from honouring these requests in the best interests of unitholders and their equal treatment.

The Capping Decision shall apply in the following circumstances:

I. Description of the strategy used

The Capping Decision may be taken if, on a given subscription centralisation date (hereinafter the 'Date of Execution of Centralisation'), the difference between the share of assets of the fund to be redeemed (hereinafter the 'Percentage of Redemptions') and the share of assets of the fund to be subscribed (hereinafter the 'Percentage of Subscriptions') is positive and represents more than 5% of the total net assets as of the last date of calculation of the net asset value.
If redemption requests exceed the gate trigger level, the Management Company may resolve to process redemption requests in excess of the 5% cap and partially execute redemption orders above the stated level, or execute them in their entirety. Such a decision is based on an appreciation of the portfolio's situation in terms of market risks, liquidity risk, and the ability to perpetuate the fund's investment strategy in the interest of the unit holders. For example, in the absence of subscriptions, if the total redemption requests for the fund units are 10% while the gate trigger threshold is 5% of the net assets, the management company may decide to honour redemption requests up to 7.5% of the net assets (and thus to execute 75% of redemption requests instead of 50% if it strictly applies the cap at 5%).
The capping on redemptions may not exceed 20 occurrences (net asset values) over 3 months; i.e. an estimated period of maximum 1 month if successive occurrences.

II. Informing unit holders

Holders who have issued redemption requests affected by the Capping Decision shall be informed in particular as soon as possible after the relevant Date of Execution of Centralisation. The Capping Decision will also be published on the website of the Management Company and will be included in the next periodic report.

III. Order processing

If a Capping Decision is made, the Percentage of Redemptions net of subscriptions will be reduced to 5% of the net assets (or, if applicable, to the higher rate applied if the Management Company decides to honour redemptions above the prescribed capping threshold).

Consequently, redemption orders will be reduced, for all investors wishing to have their units redeemed on a Date of Execution of Centralisation, by the same percentage (hereinafter the 'Reduction Coefficient'). The Reduction Coefficient is equal to the ratio between the capping threshold expressed as a percentage of net assets (plus the percentage of any subscriptions) and the Percentage of Redemptions.

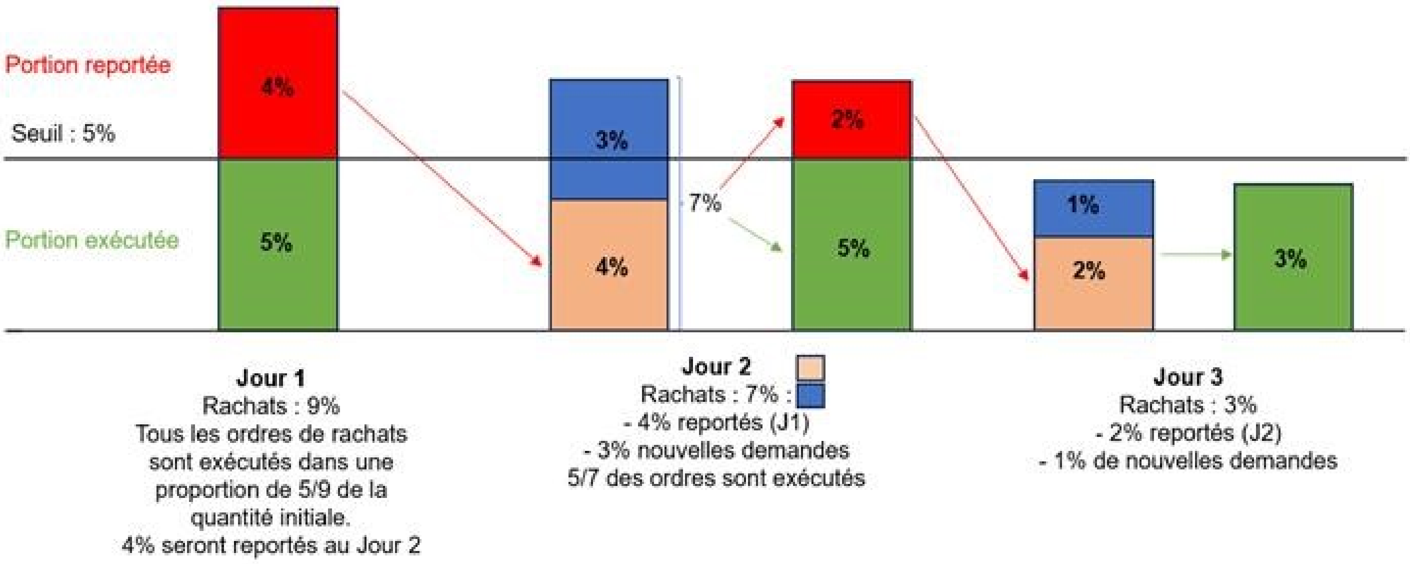
Consequently, the number of units to which the redemption is carried out is equal, for a given unit holder, to the initial number of units to which the redemption has been requested multiplied by the Reduction Coefficient, this number of units being rounded up to the larger fraction of units.

Redemption requests which have not been executed in accordance with the Capping Decision and which are pending execution will be carried forward automatically, within the same limits, on the next net asset value calculation date.

Redemption requests carried forward to a next NAV calculation date will not be given priority over later requests.

Exception from the redemptions capping mechanism: The mechanism will not be triggered when the redemption order is immediately followed by a subscription order from the same investor for the same amount or number of units, based on the same net asset value and for the same ISIN code.

IV. Example of the mechanism implemented:



Day 1: assume a threshold of 5% and total requests for redemptions amount to 9% for Day 1, then 4% of requests will not be able to be executed on Day 1 and will be deferred to Day 2.

Day 2: assume now that total redemption requests amount to 7% (including 3% new requests). As the threshold is 5%, 2% of requests will therefore not be executed on Day 2 and will be carried forward to Day 3.

Please also refer to Article 3 of the Fund's Rules for information on the capping mechanism for redemptions of your fund.

3.2.12. Fees and Charges

The French Financial Market Authority (Autorité des Marchés Financiers, AMF) draws the attention of subscribers to the maximum level of fees to which the Fund is exposed.**The expected return on investment implies strong and continued market performance.**

Entry and exit charges:
Entry and exit charges are either levied on the subscription price paid by the investor or deducted from the redemption price. Charges retained by the UCITS offset expenses borne by the UCITS for investment or divestment. Non-retained charges are attributed to the asset management company, the marketing agent, etc.

Charges to be borne by the investor, levied on subscriptions and redemptions	Basis	Rate			
		I, ID, ID2, I USD H, I CHF H, I GBP H	A	R, RP, R USD H	Z
Subscription fee not due to the UCITS	Net Asset Value multiplied by the number of units subscribed	7% maximum rate	5% maximum rate	3% maximum rate	10% maximum rate
Subscription fee due to the UCITS	Net Asset Value multiplied by the number of units subscribed	None			
Redemption fee not due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None			
Redemption fee due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None			

Exemptions: No fees will be charged for a redemption followed by a subscription for the same account on the same day, if the NAV and amount have the same values.

Operating and management charges:
These charges include all the expenses invoiced directly to the UCITS, except for execution fees. Execution fees include intermediation charges (brokerage, stamp duty, etc.) and transfer commissions, if any, which may be collected by the custodian and the management company. The following may be payable in addition to the ongoing charges:
- performance fees. These reward the asset management company when the Fund exceeds its objectives. They are therefore invoiced to the UCITS;
- transfer commissions invoiced to the UCITS.

For further details regarding fees charged to the UCITS, please refer to the key information document.

Fees charged to the UCITS	Basis	Rate			
		I, ID, ID2, I USD H, I CHF H, I GBP H	A	R, RP, R USD H	Z
Financial management and operating charges and other services	Net assets	Maximum annual rate (including tax)			
		1.00%	1.50%	2.00%	0.10%*
Transfer commissions charged by the Management Company	Charge on each transaction	None			
Transaction fee collected by the depositary	Charge on each transaction	None			
Performance fee	Net assets	15%, VAT included, in excess of the Euro Stoxx TR index			None

* The fee structure of Unit Class Z is contractually determined between the investor and the management company. The rate indicated is a minimum rate which may be supplemented by agreement between the management company and the investor.

These fees shall be booked directly to the Fund's profit and loss account.

Performance fee: From 1 April 2022, the performance fee will be calculated as follows:

Calculation method

The outperformance generated by the Fund on a given date is understood to be the positive difference between the net assets before deduction of any performance fee from the Fund and the assets of a notional UCI, achieving the performance of its benchmark index and recording the same pattern of subscriptions and redemptions as the actual Fund on the same date.

If this difference is negative, this amount represents an underperformance that will have to be offset in the following years before it can again be provisioned for the performance fee.

Offsetting underperformance and reference period

As specified in the ESMA guidelines for performance fees, 'the reference period is the period during which performance is measured and compared to the benchmark and at the end of which it is possible to reset the mechanism for offsetting past underperformance.'

This period is set at 5 years. This means that in excess of 5 consecutive years without crystallisation, unoffset underperformance older than 5 years will no longer be taken into account in the performance fee calculation.

Positivity condition

A provision may only be made and a fee may only be levied if the fund's performance is strictly positive over the year (NAV greater than the start-of-year NAV).

Observation period

The first observation period will begin with a period of twelve months beginning on 1 April 2022.

At the end of each financial year, one of the following three cases may occur:

• The Fund underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year to a maximum of 5 years (reference period).

• The Fund outperformed over the observation period but underperformed in absolute terms over the year. In this case, no fee is charged, the calculation is reset and a new twelve-month observation period begins.

• The Fund (i) outperformed over the observation period and (ii) had a positive performance in absolute terms over the financial year. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset and a new twelve-month observation period begins.

Provisionnement

Each time the net asset value is established (NAV), the performance fee is subject to a provision (of 15% of the outperformance) if the net assets of the Fund before deduction of any performance fee are greater than that of the notional UCI over the observation period and the performance of the Fund is strictly positive over the financial year, or a recovery of the provision limited to the existing appropriation in the event of underperformance.

In the event of redemptions during the period, the share of the constituted provision corresponding to the number of shares redeemed shall be definitively acquired and taken by the Manager.

Cristallisation

The crystallisation period, i.e. the frequency of any provisioned performance fee being payable to the management company, is twelve months.

The first crystallisation period will end on the last day of the year ending 31 March 2023.

Selection of intermediaries Sycomore Asset Management has entrusted the trading of its orders to Sycomore Market Solutions. Sycomore Market Solutions receives orders initiated by the management company on behalf of the Fund and ensures their transmission to market intermediaries and counterparties with the main mission of seeking the best possible execution of these orders. Sycomore Market Solutions is an investment company authorised by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR) to provide the service of receiving and transmitting orders on behalf of third parties.

Unit holders may refer to the annual management report for any further information.

4. COMMERCIAL INFORMATION

The settlement of distributable sums occurs, where applicable, within five months following the end of the fund's financial year.

Subscription and redemption orders for Fund units must be addressed to BNP Paribas SA for bearer/administered registered units to be registered or registered in Euroclear, and by IZNES for pure registered units to be registered or registered in the shared electronic registration facility (Dispositif d'Enregistrement Electronique Partagé, DEEP).

Information concerning the Fund is provided by Sycomore Asset Management to your financial intermediary, whose duty it is to pass this information on to their clients.

The management company's voting policy and the report setting out the conditions for the exercise of these voting rights are available and sent free of charge within one week upon written request from the investor to:

- Sycomore Asset Management, 14, avenue Hoche, 75008 Paris, France;
- or to info@sycomore-am.com.

The information on Environmental, Social and Governance (ESG) criteria taken into account by the UCITS is available on Sycomore Asset Management's Website (www.sycomore-am.com).

Sycomore AM's shareholder commitment policy and the latest report on the implementation of this policy are available on our website: www.sycomore-am.com.

Furthermore, information concerning the Fund may be obtained directly via the Sycomore Asset Management website (www.sycomore-am.com) or by calling our Investor Relations Department at +33 (0)1 44 40 16 00.

The management company may send the UCI's portfolio composition to its investors within a period which may not be less than 48 hours after the publication of the net asset value, solely for the purpose of calculating the regulatory requirements related to Directive 2009/138/EC (Solvency 2). Each investor wishing to use this information must have procedures in place to manage this sensitive information prior to the transmission of the portfolio composition, which is to be used solely for calculating prudential requirements.

5. INVESTMENT REGULATION

The fund complies with the investment regulations applicable to UCITS governed by Directive 2009/65/EC, investing up to 10% of their assets in units or shares of funds. It also complies with the General Regulations of the AMF regarding Euro zone equity funds.

6. OVERALL RISK

The Fund’s overall risk reflects the additional risk incurred by the use of derivatives, based on the commitment calculation method.

7. ASSET VALUATION PRINCIPLES

7.1 Asset valuation rules

Financial instruments and securities traded on French or foreign regulated markets are valued at market price.

However, the following instruments are valued in accordance with the following specific methods:

- Financial instruments which are not traded on regulated markets are valued by the management company at their likely trading value.
- Units or shares in mutual funds are valued at the most recently published NAV.
- Negotiable debt securities and similar instruments which are not actively traded are valued using an actuarial method. The value retained is that of equivalent issued securities, which are adjusted, where applicable, on the basis of a credit spread reflecting the creditworthiness of the security issuer. However, negotiable debt securities with residual lifespan not exceeding three months may be valued using the linear method in the absence of any specific sensitivity. The application of these principles is set by the asset management company. These are detailed in the Appendix to the annual accounts.
- transactions involving financial futures or options traded on French or foreign organised markets are valued at market price in accordance with methods laid down by the asset management company and appear in the annexe to the annual financial statements. They are set out in the Appendix to the annual accounts.
- over-the-counter futures, options or swap transactions authorised by the regulations applicable to UCITS, are valued at their market price or at an estimated value in accordance with methods laid down by the management company, as defined in the appendix to the annual financial statements.

Financial instruments for which no price has been established on the valuation day, or the price of which has been adjusted, are valued at their likely trading value under the asset management company's liability. These valuations and relative supporting data are made available to the Statutory Auditor during inspections and audits.

The fund currency is Euro.

7.2 Alternative assessment procedures in case the financial data is unavailable

Please note that the administrative and accounting management of the Fund is delegated to BNP Paribas SA, which is in charge of valuing the Fund's financial assets.

Nevertheless, Sycomore Asset Management also has at its disposal an estimated valuation of the fund's financial assets on a real-time basis, sourced from various available financial data suppliers (Reuters, Bloomberg, market counterparties, etc.).
In the event that the delegated administrative and accounting agent is unable to value the fund's assets, it will still therefore be possible to provide it with the requisite information for the purpose of such a valuation, in which case the Statutory Auditor will be promptly informed.

7.3 Accounting method

Income from financial instruments are recorded on an accruals basis.

The accounting method selected to record execution costs is exclusive of fees.

8. REMUNERATION POLICY

In accordance with the regulation resulting from Directives 2011/61/EC (AIFM) and 2014/91/EC (UCITS V), Sycomore AM established a remuneration policy. Its objectives are to promote alignment of interests between investors, the management company and its staff, as well as sound and efficient risk management of managed portfolios and of the management company, taking into account the nature, scope and complexity of Sycomore AM's activities. In particular, it relies on the allocation of sufficiently high fixed remuneration and bonuses whose procedures for allocation and payment promote the alignment of long-term interests.

Details of this remuneration policy are available on our website, www.sycomore-am.com. A paper copy can also be made available free of charge upon request.

9. TERMS AND CONDITIONS

ASSETS AND UNITS

Article 1 - Fund units

The rights of co-owners are expressed in units, each unit representing an equivalent fraction of the assets of the Fund. Each unit holder owns joint ownership rights over the assets of the fund in proportion to the number of units owned.

The term of the Fund is 99 years from 24 January 2011 subject to any early winding-up or extension as provided for in these terms and conditions.

The characteristics of the various categories of units, and the terms and conditions of their acquisition, are set forth in the key information document and the prospectus of the Fund.

The various categories of units may:
- benefit from different income distribution methods (distribution or capitalisation)
- be denominated in different currencies;
- incur different management fees;
- bear different entry and exit charges;
- have a different nominal value.

Units may be consolidated or split.
The Board of Directors of the asset management company may elect to split units into hundred-thousandths, referred to as fractional units.

Provisions herein governing the issue and redemption of units are applicable to fractional units, the value of which shall always be proportional to the value of the proportion they represent. All other provisions herein governing units apply to fractional units without need for further specification, unless otherwise stated.

Finally, the board of directors of the management company may unilaterally elect to split units by creating new units issued to holders in exchange for existing units.

Article 2 - Minimum assets

Units may not be redeemed if the Fund's (or sub-fund) assets fall below EUR 300,000; when the assets remain below this amount for a period of thirty days, the management company shall make the necessary provisions to liquidate the fund concerned, or to carry out one of the operations mentioned in Article 411-16 of the AMF's General Regulations (transfer of the Fund).

When the net assets of the Fund are lower than the amount set by the regulations, no acquisition of shares may take place.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, and Article 411-20-1 of the AMF General

Article 3 - Issue and redemption of units

The units can be issued at any time at the request of holders on the basis of their Net Asset Value plus, if applicable, any subscription fees.

Redemptions and subscriptions shall be executed in accordance with the terms and conditions defined in the key information document and the fund prospectus.

Fund units may be listed in accordance with applicable regulations.

Unit subscriptions must be paid in full on the NAV calculation date. They may be made in cash and/or by a contribution in kind in the form of transferable securities. The Portfolio Management Company has the right to refuse the proposed securities and has a period of seven days from the date of filing to inform the subscriber of their decision. If it accepts the securities, they shall be valued on the basis of the rules laid down in article 4, and the subscription shall be made on the basis of the first net asset value calculated following acceptance of the securities involved.
Redemptions shall be paid out exclusively in cash, unless the Fund is liquidated and unit holders have given their consent to repayment in securities. Payment is made by the issuance account keeper within a maximum of five days following unit valuation.

This period may however be extended up to a maximum of 30 days in exceptional circumstances if the repayment requires the prior divestment of assets held in the Fund.

Except in the case of inheritance or inter-vivos donations, any assignment or transfer of units between holders, or by holders to third parties, shall be deemed to constitute a redemption followed by a subscription. In the case of a third-party assignee, the amount must, where applicable, be supplemented by the beneficiary in order to be at least equal to the minimum subscription required by the key investor information document and the prospectus.

In application of Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the Fund of its units, as well as the issue of new units, may be provisionally suspended, by the management company, under exceptional circumstances and if unitholders' best interests so require.

Regulation, the Management Company may decide to cap redemptions when exceptional circumstances require it, and if unit holders' best interests so require.

The Capping Decision shall apply from 31/12/2023, under the following conditions:

I. Description of the strategy used

The Capping Decision may be taken if, on a given subscription centralisation date (hereinafter the 'Date of Execution of Centralisation'), the difference between the share of assets of the fund to be redeemed (hereinafter the 'Percentage of Redemptions') and the share of assets of the fund to be subscribed (hereinafter the 'Percentage of Subscriptions') is positive and represents more than 5% of the total net assets as of the last date of calculation of the net asset value.

If redemption requests exceed the gate trigger level, the Management Company may resolve to process redemption requests in excess of the 5% cap and partially execute redemption orders above the stated level, or execute them in their entirety. Such a decision is based on an appreciation of the portfolio's situation in terms of market risks, liquidity risk, and the ability to perpetuate the fund's investment strategy in the interest of the unit holders.

The capping on redemptions may not exceed 20 occurrences (net asset values) over 3 months; i.e. an estimated period of maximum 1 month if successive occurrences.

II. Informing unit holders

Holders who have issued redemption requests affected by the Capping Decision shall be informed in particular as soon as possible after the relevant Date of Execution of Centralisation. The Capping Decision will also be published on the website of the Management Company and will be included in the next periodic report.

III. Order processing

If a Capping Decision is made, the Percentage of Redemptions net of subscriptions will be reduced to 5% of the net assets (or, if applicable, to the higher rate applied if the Management Company decides to honour redemptions above the prescribed capping threshold).

Consequently, redemption orders will be reduced, for all investors wishing to have their units redeemed on a Date of Execution of Centralisation, by the same percentage (hereinafter the 'Reduction Coefficient'). The Reduction Coefficient is equal to the ratio between the capping threshold expressed as a percentage of net assets (plus the percentage of any subscriptions) and the Percentage of Redemptions.

Consequently, the number of units to which the redemption is carried out is equal, for a given unit holder, to the initial number of units to which the redemption has been requested multiplied by the Reduction Coefficient, this number of units being rounded up to the larger fraction of units.

Redemption requests which have not been executed in accordance with the Capping Decision and which are pending execution will be carried forward automatically, within the same limits, on the next net asset value calculation date.

Redemption requests carried forward to a next NAV calculation date will not be given priority over later requests.

Exemption from the capping mechanism: The mechanism will not be triggered when the redemption order is immediately followed by a subscription order from the same investor for the same amount or number of units, based on the same net asset value and for the same ISIN code.

The UCITS may cease to issue units pursuant to the third paragraph of article L. 214-8-7 of the French Monetary and Financial Code on a temporary or permanent basis, in part or in full, in situations that objectively require the closure of subscriptions, such as when the maximum number of units has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired. The trigger of this tool will be communicated by any means to existing holders relating to its activation, as well as to the threshold and objective situation that led to the decision to partially or completely close. In the case of a partial closure, this communication by any means will explicitly specify the terms and conditions under which existing holders may continue to subscribe during the duration of this partial closure. Unit holders are also informed by any means of the decision of the UCITS or the management company either to end the total or partial closure of subscriptions (when falling below the trigger level) or not to end them (in the event of a change of threshold or a change in the objective situation that led to the implementation of this tool). A change in the objective situation invoked or to the trigger level of the tool must always be made in the interests of the unit holders. Information by any means shall specify the exact reasons for these changes.

Article 4 - Calculation of the Net Asset Value

The Net Asset Value is calculated in accordance with the valuation rules set out in the Prospectus.

Contributions in kind shall comprise only securities, shares or contracts permissible as UCITS assets, and these shall be valued in accordance with the valuation principles applied to the NAV calculation.

FUND OPERATION

Article 5 - The Management Company

The fund is managed by the asset management company in accordance with the policy defined for the fund.

The management company will act in the sole interest of the unit-holders under all circumstances and shall have sole authority to exercise the voting rights attached to securities held by the Fund.

Article 5a - Operating rules

The instruments and deposits that are eligible to form part of the Fund's assets and the investment rules are described in the prospectus.

Article 5b – Listing on a regulated market and/or a multilateral trading facility

Fund units may be listed on a regulated market and/or a multilateral trading facility in accordance with applicable regulations. In case the fund whose shares are admitted to trading on a regulated market has an index based management objective, the fund will have in place a system to ensure that the price of its units does not significantly vary from the net asset value.

Article 6 – Custodian

The custodian performs the tasks entrusted to it by the legal and regulatory provisions in force as well as those entrusted to it contractually. It is responsible for ensuring that legal decisions made by the asset management company comply with the necessary regulations. It must, where required, take any precautionary measures it deems necessary. In the event of a dispute with the management company, it will inform the French Financial Markets Authority (Autorité des Marchés Financiers, AMF).

Article 7 - Statutory auditor

A statutory auditor is appointed by the governing body of the management company for a term of six financial years, with the approval of the AMF. The statutory auditor certifies the accuracy and consistency of the financial statements. The appointment of the statutory auditor may be renewed.

The statutory auditor is required to notify the AMF as soon as possible of any fact or decision relating to the Fund of which he becomes aware in the course of his audit that may:

- Constitute a breach of the laws or regulations applicable to this Fund that could have a significant impact on its financial situation, results or assets
- Undermine the conditions or continuity of its business,
- Entail the issuing of reservations or the refusal to certify the financial statements

Asset valuation and the determination of exchange terms pertaining to conversions, mergers or split transactions are carried out under the supervision of the statutory auditor. The statutory auditor shall determine the value of any contribution in kind under his own responsibility The statutory auditor monitors the accuracy of the composition of assets and other items prior to publication. The statutory auditor's fees shall be set by mutual agreement between the auditor and the Board of Directors of the management company, on the basis of a work schedule setting out the checks deemed necessary. The statutory auditor shall certify positions serving as the basis for any interim distribution. The statutory auditor's fees are included in the management fees.

Article 8 – The financial statements and management report

At the closing of each financial year, the asset management company prepares the financial statements and a report on the fund's management during that year.

The list of assets and liabilities is certified by the custodian and all of the above documents are reviewed by the statutory auditor.

The management company shall make these documents available to unit holders within four months of the end of the financial year and inform them of the amount of income attributable to them: these documents shall be either sent by courier at the express request of the unit holders, or made available to them at the management company.

TERMS AND CONDITIONS OF ALLOCATION OF DISTRIBUTABLE SUMS

Article 9 – Terms and conditions of appropriation of income and distributable sums

Net income for the financial year shall be equal to total interests, arrears, dividends, premiums and bonuses, attendance fees and any other income relating to securities constituting the Fund portfolio, plus income from short-term liquidities, minus management charges and borrowing costs.

Distributable amounts consist of:

1- Net income plus retained earnings plus or minus the balance of accrued income;
2- Realised capital gains after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or capitalised and minus or plus the balance of capital gain accruals.

The amounts stated in points 1 and 2 may be distributed, either entirely or partially, independently of one another.
The management company shall decide on the appropriation of distributable amounts. Where applicable, the Fund may choose one of the following options for each unit class:

- capitalisation: distributable amounts are fully reinvested with the exception of those that must be distributed pursuant to legal provisions;
- distribution (with the possibility of interim distribution):
  - all distributable sums (all amounts mentioned in points 1 and 2) to the nearest rounded figure;
  - distributable sums mentioned in point 1 to the nearest rounded figure;
  - distributable sums mentioned in point 2 to the nearest rounded figure;
- For funds which prefer to maintain the freedom to capitalise and/or distribute all or part of the distributable sums, the asset management company decides each year on the appropriation of distributable sums mentioned in points 1 and 2 with the possibility of interim distribution.

MERGER – SPLIT – DISSOLUTION – LIQUIDATION

Article 10 - Merger & De-merger

The management company may either merge all or part of the assets of the Fund with another fund, or split the Fund into two or more mutual funds.

Such mergers or splits may not be carried out until the unit-holders have been notified. A merger or split gives rise to the issuance of a certificate specifying the new number of units held by each holder.

Article 11 - Dissolution & extension

If the Fund assets remain below the amount specified in article 2 for a period of thirty days, the management company shall wind-up the Fund and inform the French Financial Markets Authority, unless it is merged with another investment fund.

The management company may wind-up the Fund before term. It shall inform unit holders of its decision and subscription or redemption orders shall no longer be accepted as of that date.

The management company shall also wind-up the Fund if it receives redemption orders for all of its units, if the custodian ceases to perform its duties where no other custodian has been designated, and upon the expiry of the Fund's term unless it has been extended.

The asset management company shall inform the French Financial Markets Authority in writing of the scheduled date and selected winding-up procedure. It shall then send the French Financial Markets Authority the statutory auditor's report.

Extension of a fund may be decided by the asset management company in agreement with the custodian. Its decision must be taken at least 3 months prior to expiry of the Fund's term, and both unit holders and the French Financial Markets Authority must be informed at the same time.

Article 12 - Liquidation

If the fund is wound-up, the asset management company shall be responsible for the liquidation process. The liquidation process may be entrusted to the custodian subject to its consent. The asset management company or, where applicable, the custodian shall be vested with the broadest powers to realise assets, pay any creditors and distribute the remaining balance between unit holders in cash or securities.
The statutory auditor and the custodian shall continue in their respective capacities until the liquidation process is complete.

DISPUTES

Article 13 - Competent courts & Choice of jurisdiction

All disputes related to the Fund that may arise during the term in which it operates, or during its liquidation, either between the unit holders or between the unit holders and the asset management company or the Custodian, are subject to the jurisdiction of the competent courts.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6 first paragraph, of Regulation (EU) 2020/852

Product name: Sycomore Sélection Responsible

Legal entity identifier: 9695005QE0NB97H47I66

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 which lists **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes environmental and social criteria (E/S)** and even if these investments may not qualify as sustainable investment, the product must hold at least 70% of its assets in sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy;	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.	☒ with an environmental in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The objective of the FCP, which is classified as 'Eurozone equities', is to offer subscribers higher performance than the benchmark Euro Stoxx Total Return index over a minimum investment horizon of five years, using a multi-thematic socially responsible investment process in line with the United Nations Sustainable Development Goals.

The Fund focuses on themes such as energy transition, sustainable resource management, health and protection, nutrition and well-being, digitalisation and communication.

No reference benchmark has been appointed to determine whether this financial product complies with the environmental and/or social criteria it promotes.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund will assess the achievement of each of the environmental or social criteria using the following sustainability indicators, among others:

<u>At the level of the companies held</u>:

- **SPICE ratings of companies held**: SPICE[1] stands for Society & Suppliers, People, Investors, Clients, and Environment. This tool assesses the companies' sustainable performance. It integrates the analysis of economic, governance, environmental, social, and societal risks and opportunities into the commercial practices and product and service offerings of companies. The analysis takes into account 90 criteria from which a score between 1 and 5 per SPICE letter is obtained. These 5 ratings are weighted according to the most significant impacts on the company.
- **At the societal level**: **societal contribution**[2] **of products and services**. The assessment of the societal contribution combines the positive and negative societal contributions of products and services of a company. The methodology is based on the societal aspects of the 17 UN Sustainable Development Goals (SDGs) and their 169 targets. The methodology also includes macroeconomic and scientific data from public research institutions and independent organisations such as the Access to Care Foundation and the Access to Nutrition Initiative.
- **At the human resources level:** two indicators relate to SDG 8 ('Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.') and SDGs 3, 4, 5, and 10 for the former:
  - **The 'Happy@Work Environment' rating[3]:** the framework provides a comprehensive and objective assessment of the level of well-being at work, focussing on: objectives, autonomy, skills, labour relations, and equity.
  - The '**Good Jobs' rating[4]** is a metric that aims to assess, on a scale of 0 to 100, a company's overall ability to create sustainable and quality jobs for all, particularly in areas - countries or regions - where employment is relatively limited and therefore necessary for sustainable and inclusive development.

[1] Further information is available on the website, which can be found at the end of this document
[2] Ibid
[3] Ibid
[4] Ibid

- **At the environmental level**: **NEC** indicator[5] (Net Environmental Contribution). The NEC is a metric that enables investors to measure to what extent a given business model is aligned or misaligned with the ecological transition and objectives for mitigating climate change. The score is calculated on a scale from -100%, for the activities that are the most damaging to natural resources, to +100% for activities providing a strong positive environmental impact. The NEC targets five impact categories (challenges: climate, waste, biodiversity, water, air quality) by business group (areas of contribution: ecosystems, energy, mobility, construction, production).
- **Compliance of companies held with the Investment Manager's SRI exclusion policy.**
- **Compliance of companies held with the Investment Manager's controversy review process.**
- **Compliance of companies held with the Investment Manager's PAI policy.**

<u>**At product level:**</u>

- Net Environmental Contribution;
- Societal Contribution of products and services.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund may partially make sustainable investments with a social objective, on the basis of at least one of the following conditions:

- **At the societal level**: investments where the **societal contribution of products and services** is greater than or equal to +30%.

- **At the human resources level,** two indicators relate to SDG 8 ('Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.') and SDGs 3, 4, 5, and 10 for the former:

    - **Investments awarded with a 'Happy@Work Environment' rating** greater than or equal to 4.5/5;
    - **Investments awarded with a 'Good Jobs' rating** greater than or equal to 55/100.

  Companies with a 'Good Jobs' rating or a 'Happy@Work Environment' rating greater than or equal to the selected thresholds make a significant contribution to SDG 8.

The Fund will partially make sustainable investments with an environmental objective, based on the following conditions: investments where the **Net Environmental Contribution (NEC)** is greater than or equal to +10%.

It should be noted that the Fund undertakes to invest a minimum of 70% of its net assets in underlying assets qualifying as sustainable investments under the terms and conditions set forth herein, whether the investment objective is environmental or social.

[5] Further information is available on the website, which can be found at the end of this document

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Four levels are put in place to prevent sustainable environmental or social objectives from being significantly affected, on an ex ante basis, before any investment decision.

Indeed, investments targeted by one or more of the following criteria will not be considered as sustainable investments:

1. **Compliance of companies held with the Investment Manager's SRI exclusion policy[6]:** activities are limited for their controversial social or environmental impacts, as defined and reviewed each year in Sycomore AM's basic policy (applicable to all direct investments of Sycomore AM) and in the Socially Responsible Investment (SRI) policy (applicable to all UCITS, mandates and dedicated funds managed according to an SRI strategy) such as: human rights violations, controversial and nuclear weapons, conventional weapons and ammunition, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy production, oil and gas.

2. **Companies concerned by a level 3/3 controversy[7]:** identified based on the Investment Manager's in-depth analysis of controversies. Companies classified as most controversial (-3 on the Sycomore AM scale, from 0 to -3) are considered to be in breach of one of the principles of the United Nations Global Compact.

3. **SPICE rating below 3/5**: Through its 90 criteria, the SPICE methodology covers all environmental, social, and governance issues targeted by the indicators of adverse impacts on sustainability factors listed in the Regulatory Technical Standards. A lower rating, less than 3/5, indicates a lower sustainability performance on one or more adverse impacts.

4. **According to Sycomore AM's Principal Adverse Impacts (PAI) policy[8]**: a PAI policy to identify additional risks of significant impacts on the environmental and social issues covered by the PAI indicators listed in Table 1 of Annex I of the SFDR Regulation is implemented. Companies meeting all the exclusion criteria relating to GHG emissions, biodiversity, water, waste, gender equality, the principles of the United Nations Global Compact/OECD Guidelines for Multinational Enterprises, or controversial weapons, will be declared ‘unsustainable’.

[6] Further information is available on the website, which can be found at the end of this document
[7] Ibid
[8] Ibid

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The adverse impact on sustainability factors involves indicators at two levels:

1. **Solely for sustainable investments:** a PAI policy based directly on the indicators in Table 1 of Annex I and all relevant indicators in Tables 2 and 3.

2. **For all investments in the financial product**: The framework of the SPICE analysis, which considers all the issues covered by all the indicators of adverse impact on sustainability factors, with the ability to use them to feed into the analysis.

PAI policy: each sustainability factor referred to in Table 1 of Annex I was associated with an exclusion criterion:

Applicable to companies held:

- **GHG emissions**:
  - Indicators 1-2-3-5-6 (scope 1, 2, 3 of GHG emissions and total emissions; carbon footprint; GHG emissions intensity of companies held; share of non-renewable energy consumption and production; energy consumption intensity by high-impact climate sector): For all sectors, GHG emissions are assessed taking into account the size of the company relative to its sub-sector and the science-based decarbonisation levels necessary to maintain the global temperature increase below 2° C compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change[9] (IPCC). As a result, Sycomore AM's PAI approach to GHG emissions in all sectors is based on scientific indicators: on the one hand, the Science-Based Targets initiative (SBTi[10]) and, on the other hand, the Science-Based Initiative to Align Temperatures with 2° C (SB2A[11]). Companies associated with a temperature above the threshold defined in the PAI policy are considered to be seriously detrimental to the climate change mitigation objective.
  - Indicator 4 (Exposure to companies active in the fossil fuel sector): Companies active in the fossil fuel sector are subject to Sycomore AM's exclusion policy.

- **Biodiversity**:
  - Indicator 7 (Activities negatively affecting biodiversity-sensitive areas), in addition to Indicator 14 in Table 2 (Natural species and protected areas): these two indicators show that activities in areas sensitive to biodiversity are not likely to be undertaken without appropriate mitigation measures. Companies for which this is confirmed are deemed to seriously undermine the objective of protecting and restoring biodiversity and ecosystems. The detailed confirmation process for excluded companies is provided in the PAI policy.

- **Water**:
  - Indicator 8 (Emissions to water): For companies reporting emissions above the threshold set in the PAI policy, further surveys are conducted on the impact on stakeholders of past emissions, based on controversy reviews. A serious impact that the company has not yet fully taken into account is deemed to seriously undermine the objective of sustainable use and protection of water and marine resources.

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[9] https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/the-fifth-assessment-report-of-the-ipcc?gclid=CjwKCAjw7p6aBhBiEiwA83fGupjyovLRq1NKs9o5UtIotAQQcswzZD30tofiDkgryZ8SlJHtnG5y4BoCEiwQAvD_BwE
[10] https://sciencebasedtargets.org/
[11] https://icebergdatalab.com/solutions.php

- **Waste**:
    - Indicator 9 (Hazardous waste and radioactive waste ratio): For companies that report quantities exceeding the threshold set in the PAI policy, additional surveys are carried out on the impact on stakeholders of waste generated, based on controversy reviews. A serious impact that the company has not yet fully taken into account is deemed to seriously undermine the objective of preventing and controlling pollution.

- **Principles of the United Nations Global Compact/OECD Guidelines for Multinational Enterprises:**
    - Indicator 10 (Violations): The framework of the above-mentioned controversy analysis implemented by Sycomore AM aims precisely to identify violations of these international standards.
    - Indicator 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): The lack of processes and mechanisms for monitoring compliance with these international standards is a signal that more due diligence is needed to conclude on the likelihood of potential violations. Stricter requirements are then implemented throughout the SPICE analysis, particularly in relation to the Society & Suppliers (S), People (P), and Clients (C) stakeholder classes, defined in the PAI policy. Any company that fails the test is deemed to be significantly detrimental to one or more social objectives.

- **Gender Equality**:
    - Indicator 12 (Unadjusted gender pay gap): Companies associated with an unadjusted gender pay gap exceeding the threshold set in the PAI policy are considered to seriously undermine the social objective of combating inequality.
    - Indicator 13 (Board gender diversity): Companies associated with the participation of women on the board of directors of the company below the threshold defined in the PAI policy are considered to seriously undermine the social objective of combating inequalities.

- **Controversial weapons**: Exposure to controversial weapons is specifically addressed by Sycomore AM's exclusion policy.

Applicable to governments and supranational organisations:

- **GHG intensity** (Indicator 15): The intensity of GHG emissions is part of the Country analysis described in Sycomore AM's ESG integration policy, which excludes underperforming countries in a wide range of environmental, social, and governance issues.

- **Investee countries concerned by social violations** (Indicator 16): Similarly, the framework of analysis applicable to Countries concerns adherence to the United Nations Charter. In addition, a set of indicators is used to assess government practices in sustainable development and governance, including corruption, human rights, and social inclusion.

<u>**SPICE rating**</u>**:**

Through its 90 criteria, the SPICE methodology covers all environmental, social, and governance issues targeted by the indicators of adverse impacts on sustainability factors listed in the Regulatory Technical Standards.

Of the 46 indicators of adverse impacts applicable to companies held, excluding an element dedicated to fixed income investments (i.e. 14 indicators of the principal adverse impacts listed in Table 1 of the standard, as well as 32 additional indicators of adverse impacts listed in Table 2 and Table 3 of the standard), 42 indicators are part of the SPICE scope of analysis of adverse impacts (23 environmental indicators and 19 social indicators), and 4 indicators of adverse impacts are targeted by Sycomore AM's exclusion policy (1 environmental indicator and 3 social indicators).

More specifically, Sycomore AM's SPICE fundamental analysis model is an integrated model that provides a holistic view of companies in the investment universe. It has been developed taking into account the OECD Guidelines for Multinational Enterprises. It fully integrates ESG factors to understand how companies manage adverse impacts as well as key sustainable opportunities using a dual materiality approach.

Examples of matching adverse effects with elements of the SPICE analysis include:

Society & Suppliers (S): The S rating reflects the company's performance vis-à-vis its suppliers and civil society. The analysis concerns the societal contribution of products and services, social responsibility, and the subcontracting chain. Adverse sustainability indicators, including the lack of a supplier code of conduct, inadequate whistle blower protection, lack of a human rights policy, lack of due diligence, risks related to human trafficking, child labour or compulsory labour, cases of serious human rights issues, and risks related to anti-corruption policies, aim to address the adverse impacts addressed in the Society & Suppliers section.

People (P): The P rating focusses on a company's employees and the management of its human resources. The evaluation of the People component focusses on the integration of issues related to employees, their development (Happy@Work Environment), and the measurement of their commitment. Adverse sustainability indicators, including unadjusted gender pay gap, gender diversity on the board, workplace accident prevention policies and health and safety indicators, employee complaint mechanisms, discrimination and CEO pay ratios, aim to address the adverse impacts addressed in the People section.

Investors (I): The I rating focuses on the relationship between companies and their shareholders. The rating is determined based on an in-depth analysis of the shareholder and the legal structure of the company, the interactions and the balance of forces between the different actors: management, shareholders and their representatives, directors. The analysis targets the business model and governance. Among the adverse sustainability indicators, the lack of diversity on the board of directors and the exorbitant rate of remuneration of chief executive officers remedy the adverse effects mentioned in this section.

Clients (C): The C rating focuses on the company's clients as players, analysing the offer made to clients as well as the client relationship.

Environment (E): The E rating assesses the company's position in relation to natural resources. It represents the management of environmental issues as well as the positive or negative externalities of the company's business model. The subsection on the environmental footprint defines the adverse impacts targeted by sustainability impact indicators, including greenhouse gas emissions, energy consumption, air pollution indicators, water, waste and material emissions, as well as biodiversity indicators. Sustainability impact indicators, including carbon reduction initiatives and fossil-fuel-related activities, address the adverse impacts that are addressed in the E (Environment) section, Transition Risk sub-section.

Exclusion policy: Finally, Sycomore AM's exclusion policy targets indicators of adverse impact on sustainability, including controversial weapons, exposure to the fossil fuel sector, production of chemical pesticides, and more generally, has been drafted to target companies that violate the principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Once the analysis (SPICE analysis including the examination of controversies, compliance with the exclusion policy, compliance with the PAI policy) has been carried out, it affects investment decisions as follows:

- As mentioned in the previous question, it offers protection against material damage to any sustainable investment objective, excluding companies that do not meet minimum safeguard requirements;

- It also has an impact on financial investments in two ways: 1. assumptions related to the company's outlook (growth and profitability forecasts, liabilities, mergers and acquisitions, etc.) can be reinforced by certain results of the SPICE analysis where applicable, and 2. certain fundamental assumptions of the valuation models are systematically linked to the results of the SPICE analysis.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The development of Sycomore AM's 'SPICE' analytical framework and exclusion policy are based on the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, International Labour Organization standards, and the United Nations Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a company interacts with its stakeholders. This fundamental analysis aims to understand the strategic issues, business models, quality of management and degree of involvement, as well as the risks and opportunities facing the company. Sycomore AM has also defined its human rights policy in accordance with the United Nations Guiding Principles on Business and Human Rights.

Despite the due diligence described above to identify potential violations of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, effective compliance with the issuers analysed can never be guaranteed.

The EU Taxonomy sets out a 'do no significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives, and is accompanied by specific EU criteria.

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Does this financial product consider the principal adverse impacts on sustainability factors?

✖ Yes, as indicated in the previous subsection:

- The principal adverse impacts, as well as all other adverse impacts, are taken into account for any investment of the portfolio through the SPICE analysis and results, supplemented by the exclusion policy of Sycomore AM.
- In addition, to be eligible as a sustainable investment, any investment must comply with the PAI policy, including the principal adverse impacts.

Information on the principal adverse impacts on sustainability factors will be published in the annual report of the Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund's investment strategy is based on a portfolio exposure of 60% to 100% to Eurozone equities. These equities are selected based on a thorough fundamental analysis of companies, without sector or capitalisation restrictions. The net assets may therefore be exposed up to 100% to shares in small cap companies, i.e. with market capitalisation of less than 7 billion euros. It aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the management team.

The Fund's investment strategy fully integrates ESG (environmental, social (including human rights), and governance) issues. This integration is carried out through the Management Company's proprietary 'SPICE' methodology described in the previous question with respect to the DNSH approach. This analysis takes 90 criteria into consideration, both qualitative and quantitative, organised around the five key stakeholders: Society & Suppliers, People, Investors, Clients, and Environment. Each SPICE pillar is assigned a score on a scale of 1 to 5, and their weighted average, based on the company's sector and activities, is the final SPICE rating.
By integrating ESG criteria into the investment strategy of the mandate, we aim to identify the risks and opportunities to which companies are exposed by following a dual materiality approach, and more specifically:

- On the Environment, Pillar E evaluates how companies take environmental protection into account in the conduct of their business as well as in their supply of products and services. It also looks at how the environment can affect the company's activities. It fully integrates analysis of transition risk and physical risk exposure;
- At a social level, Pillars P, S and C aim to understand how companies integrate risks and opportunities related to human capital, relations with suppliers and clients, and society as a whole. In particular, respect for workers' rights, employee health and safety, the quality of the working environment, the societal contribution of products and services, the ability of companies to contribute to the creation of quality jobs and respect for human rights throughout the business value chain are key issues covered by the analysis.
- On governance, Pillar I examines how companies recognise the interests of all stakeholders by sharing value equitably. This includes shareholder structure analysis, the alignment of senior management with the strategy, and the quality of the integration of sustainability issues into the strategy.

The Fund's investment universe is defined according to a minimal SPICE rating (3/5), but also according to specific criteria in the 'SPICE' overall analysis and rating methodology (see the next item on the binding elements of the investment strategy).

Our SPICE methodology also contributes to analysing a company's exposure and/or contribution to the United Nations Sustainable Development Goals (SDGs). Within the People Pillar, our approach for assessing human capital in the company refers explicitly to SDGs 3, 4, 5, 8, and 10 on social issues such as health, lifelong learning, gender equality, full employment, decent work, and reducing inequality. Within the Society & Suppliers pillar, the assessment of the societal contribution is based on the analysis of positive and negative contributions from business activities under 4 pillars (access and inclusion, health and security, economic and human progress and employment) and refers explicitly to SDGs 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 16, and 17. Within the Environment pillar, the assessment of the net environmental contribution (NEC) analyses the positive and negative impacts of companies and their products and services on 5 issues (climate, biodiversity, water, waste/resources, and air quality) directly related to environmental SDGs 2, 6, 7, 9, 11, 12, 13, 14, and 15. The Fund also undertakes to report annually on the portfolio companies' exposure to SDGs.

The main methodological limits are as follows:

- The availability of data for ESG analysis;

- The quality of the data used to assess the quality and impact of ESG as there are no universal standards for ESG information and third-party verification is not systematic;
- Data comparability because not all companies publish the same indicators;
- The use of proprietary methodologies that rely on the experience and expertise of the asset manager's staff.

What are the constraints defined in the investment strategy to select investments in order to achieve each of the environmental or social characteristics promoted by this financial product?

Two main filters, one of exclusion and the other of selection, are used.

- **Selection filter**: the net assets of the Fund will be exposed from 70% to 100% to listed equities of companies whose activities contribute to sustainable development opportunities. Such companies can be of any of the following four categories:
  i. **Social contribution**: Companies that have a social contribution rating greater than or equal to +10% within the Society & Suppliers pillar of our SPICE methodology.
  ii. **Environmental contribution**: Companies with an NEC (Net Environmental Contribution) rating greater than or equal to +10% within the Environment pillar of our SPICE methodology.
  iii. **SPICE leadership**: Companies with a SPICE rating above 3.5/5, reflecting our analysis of best practices in terms of sustainable development.
  iv. **SPICE transformation**: For up to 10% of net assets, companies with,
    a) cumulatively: (i) a **SPICE rating** between 3 and 3.5/5;
    b) a **fundamental transformation strategy** in sustainable development (supply of products or services, or changing practices). The Fund is therefore tasked with supporting the environmental, social, societal, and governance transformation of these companies. The areas for improvement identified by the management company must be satisfied within a maximum period of two years.

- **Exclusion filter**: any company which presents risks in terms of sustainable development. The risks identified include non-financial practices and performance which may call into question the competitiveness of companies. A company is thus excluded if:
  i. it is involved in activities identified in the Sycomore AM SRI **exclusion policy** for their controversial social or environmental impacts, or
  ii. it obtained a **SPICE rating** below 3/5, or
  iii. it is concerned by a **level 3/3 controversy**.

At the product level, the management company aims to achieve a better performance than the Fund's reference benchmark concerning the two indicators that follow:

- Net Environmental Contribution;
- Societal Contribution of products and services.

In addition, the Fund agrees to the following mandatory element:

- The Fund will invest continuously at least 70% of its net assets in sustainable investments that have either an environmental or a social objective.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The eligible investment universe of the Fund is reduced by at least 20% compared to the initial universe, i.e. equities listed on European Union markets.

What is the policy implemented to assess the good governance practices of the companies in which the financial product invests?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

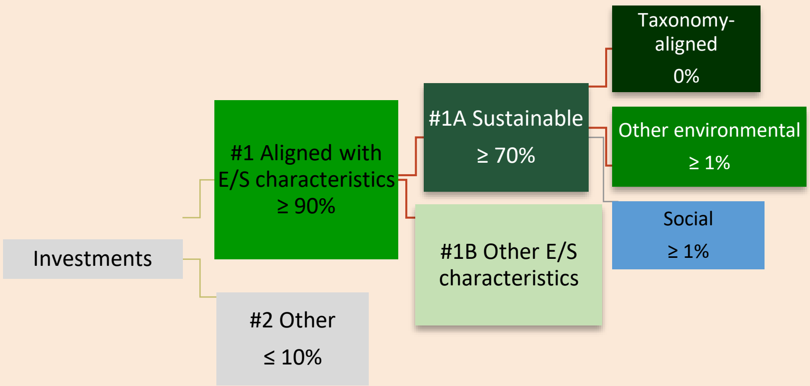
Governance is part of the SPICE analysis, including a section dedicated to governance (section 'G') in section 'I', which has a significant focus on the management structures and governance elements integrated in the other parts of the analysis framework, including employee relations and compensation within section 'P', as well as tax practices within section 'S'. The overall governance of the issues associated with each type of stakeholder (Society & Suppliers, People, Investors, Clients, and Environment) is addressed in each of these sections.

Other requirements to exclude from the investment universe the insufficient governance practices in section 'G', associated with a minimum threshold, are included in Sycomore AM's exclusion policy.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The mandatory elements of the investment strategy (excluding cash and derivatives used for hedging), used to select investments to meet each of the environmental or social criteria promoted by this financial product, are required for any investment of the Fund.



The category **#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The objective for the remaining portion of investments, including a description of minimum environmental or social guarantees, is set out in the following questions: 'What investments are included under '#2 Other', what is their purpose and are there any minimum environmental or social safeguards?'

How does the use of derivatives help accomplish the environmental or social characteristics promoted by the financial product?

The policy for using derivatives, whose underlying assets are subject to the SPICE analysis process, is compatible with the objectives of the Fund and consistent with its inclusion in a long-term perspective. It is not intended to significantly or permanently distort the ESG selection policy. The use of derivatives is limited to techniques allowing for efficient management of the portfolio of securities in which the Fund is invested. The Fund may not hold a short position in any asset selected as ESG, according to its own method of ESG asset selection.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities represent a minimum commitment of alignment of 0% of investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

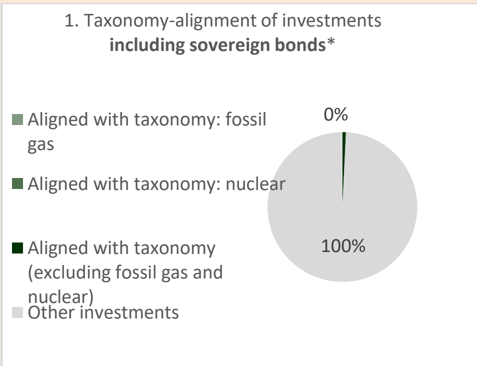
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[12]?

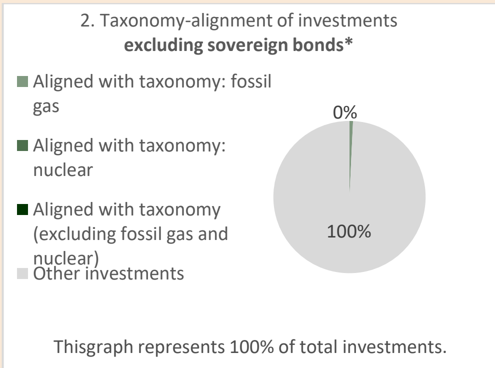
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

NA

[12] Fossil gas and/or nuclear-related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The Fund makes a commitment regarding a minimum proportion of investments in sustainable investments with an environmental objective (1%).

However, the Fund will invest continuously at least 70% of its net assets in sustainable investments that have either an environmental or a social objective.

What is the minimum share of socially sustainable investments?

The Fund makes a commitment regarding a minimum proportion of investments in sustainable investments with a social objective (1%).

However, the Fund will invest continuously at least 70% of its net assets in sustainable investments that have either an environmental or a social objective.

What investments are included under '#2 Other', what is their purpose and are there any minimum environmental or social safeguards?

Investments included in the '#2 Other' category are related to derivative instruments used for hedging purposes, cash held on an ancillary basis, or cash equivalents such as government bonds.

Bonds, other international debt securities and short-term negotiable securities from public issuers will be selected through an in-house rating of the issuing Country strictly above 2.5 on a scale of 5 (5 being the highest rate), the Country being thus considered as sufficiently favourable to sustainable and inclusive development.

Other cash equivalents and similar instruments held on an ancillary basis, as well as derivatives held for hedging purposes, are not subject to minimum environmental or social guarantees.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they

There is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

The Fund's reference benchmark, which is only used to evaluate performance, is a broad market index (EuroStoxx TR).

Where can I find more product specific information online?

More product-specific information can be found on the website: https://fr.sycomore-am.com/fonds/14/sycomore-selection-responsable