



CREDIT CROSSOVER SRI  
**SYCOMORE**  
**SÉLECTION**  
**CRÉDIT**

PM COMMENT  
 Q1 2022

## PERFORMANCE

Q1 2022

Fund : -3.8%

-5.2% Barclays Capital Euro Corporate Ex-financials TR\*

2021

Fund : +1.9%

-1.2% Barclays Capital Euro Corporate Ex-financials TR\*

Investment start date (05.12.2012)

Fund : +29.5%

+19.8% Barclays Capital Euro Corporate Ex-financials TR\*

## INVESTMENT TEAM



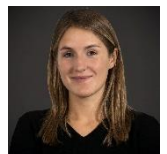
Stanislas de Bailliencourt  
 Senior Portfolio Manager



Emmanuel de Sinety  
 Senior Portfolio Manager



Tony Lebon  
 Senior Analyst



Ariane Hivert  
 SRI Analyst

## MARKET ENVIRONMENT

US 2 y: +2.337%

US 10 y: +2.341%

Bund 10 y: +0.54%

Italian 10 y: +2.04%

	30/06/21	30/09/21	31/12/21	31/03/22
FTEC5	-0.41%	-0.42%	-0.38%	0.62%
BBB (BofAML BBB Euro Non-Financial)				
YTW	0.44%	0.46%	0.65%	1.72%
Spread	94.00	96.00	110.00	145.00
BB (BofAML BB Euro High Yield)				
YTW	1.83%	1.86%	2.18%	3.45%
Spread	231.00	234.00	260.00	311.00
B (BofAML B Euro High Yield)				
YTW	3.50%	3.60%	3.99%	5.55%
Spread	405.00	413.00	445.00	523.00
CCC (BofAML CCC & lower Euro High Yield)				
YTW	6.50%	6.58%	6.29%	8.70%
Spread	677.00	695.00	658.00	827.00

## MAIN HOLDINGS

	Weight	Coupon	Maturity	YtM	YtW	ESG	Rating
Coty Inc.	1.4%	4.0%	2023	-0.4%	-0.4%	2.8	CCC
Picard	1.3%	3.9%	2026	4.5%	0.0%	3.3	B
Gestamp Auto.	1.3%	3.3%	2026	4.5%	4.5%	3.2	BB
Groupama	1.2%	6.4%	Perp	6.1%	6.1%	3.1	BBB
Elior	1.2%	3.8%	2026	6.1%	6.1%	2.9	B
La Mondiale	1.1%	5.1%	Perp	5.4%	2.5%	3.1	BBB
Piaggio & C	1.1%	3.6%	2025	3.5%	3.4%	3.2	BB
Renault	1.0%	2.4%	2026	3.8%	3.8%	3.4	BB
Quadiant Sa	1.0%	3.4%	Perp	7.5%	0.8%	3.0	NR
Paprec Holding	1.0%	2.3%	Perp	3.6%	3.0%	3.7	BBB

The opinions and estimates constitute our judgment and are subject to change without notice, as well as assertions about trends in the financial markets, which are based on current conditions in these markets. We believe that the information provided in these pages is reliable, but it should not be considered exhaustive. These data, graphics or extracts were calculated or made on the basis of public information we believe to be reliable but which nevertheless have not been subject to independent verification on our part. Data as of 31.03.2022. \*TR: reinvested dividends. Past performance is no guarantee of future returns. The fund offers no yield or performance guarantees and comes with a risk of capital loss. The performance of the fund is partly driven by the ESG indicators of the stocks held on the portfolio, though these are not the only determining factor. Before investing, please read the KIID for the fund available on our website: [www.sycomore-am.com](http://www.sycomore-am.com).



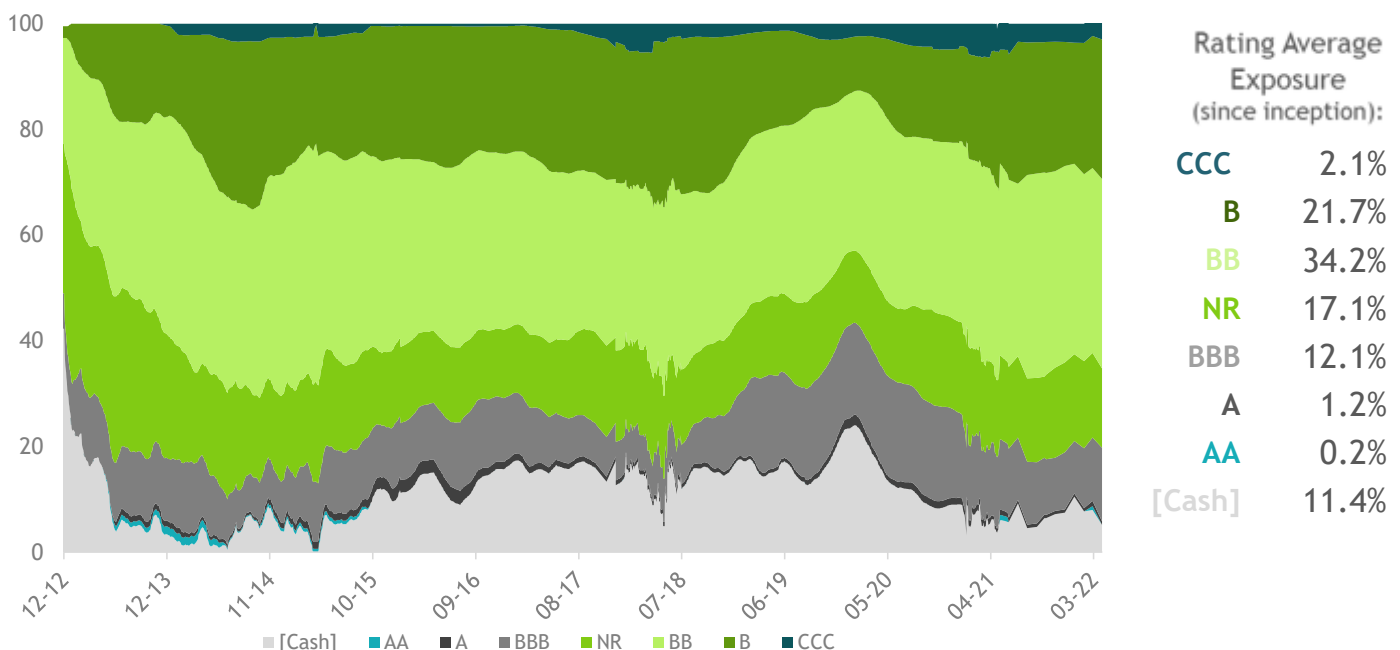
## FUND POSITIONING

The first few weeks of 2022 were dominated by a sharp increase in risk aversion with investors concerned over the prospect of monetary policy tightening. The invasion of Ukraine exacerbated this trend. Credit spreads widened as a result. The Itraxx Crossover index moved back to its September 2020 levels. Despite the a “flight to quality” due to the invasion, credit indices posted sharp losses during the trimester, overshadowing annual earnings which came in rather better-than-expected.

the primary market had remained very active at the beginning of the year (the High Yield segment offering yields on the low side in our view) before closing up entirely with the invasion. Nevertheless, at the end of the trimester, unlike the Investment Grade, impacted by the ECB reducing the pace of its asset purchases, High Yield spreads returned to the levels observed prior to the invasion of Ukraine. At the end of the trimester, the primary market gradually opened up for better rated issuers.

In January, considering that the yields offered in the High Yield segment were on the low side, we subscribed to three Investment Grade bonds: RCI, Renault’s BBB rated finance subsidiary which issued a three-year bond. Real estate company P3Logistics, which operates logistics assets throughout Europe and is owned by Singapore’s GIC sovereign wealth fund, which issued two BBB rated tranches and we selected the shorter maturity (4 years). Finally, Acciona Energia, the Acciona Group’s energy subsidiary and pure renewables player, issued a 10-year BBB- rated bond. In February, Loxam managed to refinance its short-term bonds with the issuance of a 2027 tranche offering a coupon of 4.5%, a level we consider to be attractive. S&P has assigned its B+ issue rating to Loxam’s senior debt, with a positive outlook. At the end of the trimester, we took part in two issuances: the hybrid bond issued by Telia, rated BBB- and offering a yield of 2.875% for a 5 year-maturity at first call, and IMCD, the specialty chemicals and food ingredients distributor, which issued a 5-year bond with a yield of 2.25% at the time of issuance. The bond is also rated BBB-.

## PORTFOLIO BREAKDOWN BY RATING SINCE INCEPTION



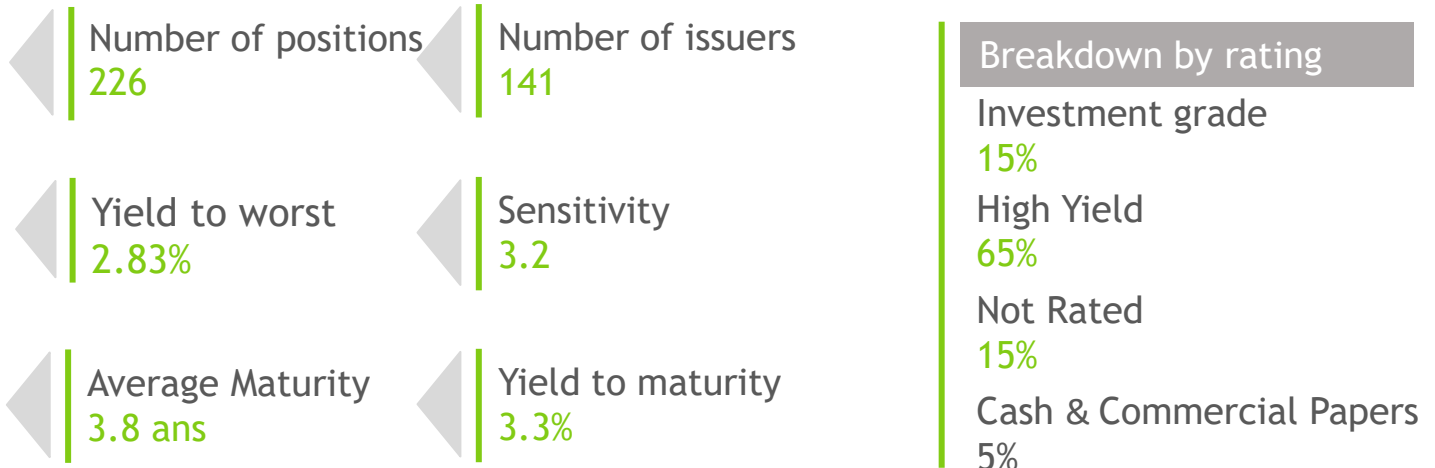
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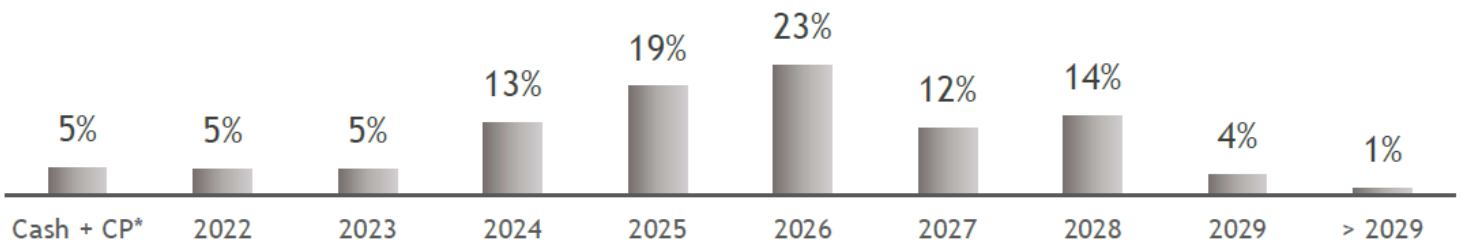


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**ALLOCATION BY MATURITY\* - 31.03.2022**



**MAIN PORTFOLIO MOVEMENTS**

Positions initiated/increased	Positions exited/decreased
LAGARDERE 1.75 2027	GRIFOLS 3.2 05/01/25
VEOLIA 2 PERP 2027	ELIS 1 7/8 02/15/23
AXALTA 3 3/4 01/15/25	MAISONS DU MONDE 0 1/8 16/06/23

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PERFORMANCE ATTRIBUTION - Q1 2022

**Sycomore Sélection Cr dit**

MATURITES	Average Weight	Return	Contribution
2022	6.0%	-1.5%	-0.1%
2023	4.3%	-0.7%	0.0%
2024	11.9%	-2.7%	-0.3%
2025	19.0%	-2.2%	-0.4%
2026	21.6%	-5.1%	-1.1%
2027	11.3%	-6.6%	-0.8%
2028	12.8%	-7.2%	-0.9%
2029	3.5%	-7.1%	-0.2%
2031	0.5%	-11.4%	-0.1%
2034	0.0%	0.0%	0.0%
Perp	0.6%	-9.9%	-0.1%
<b>Total Obligations</b>	<b>91.5%</b>		<b>-4.0%</b>
<b>Autres</b>	<b>0.1%</b>		<b>0.0%</b>
<b>Cash</b>	<b>8.2%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total Contribution</b>			<b>-4.1%</b>
<b>Net Performance</b>			<b>-3.8%</b>

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**Sycomore Sélection Crédit**

<b>RATINGS</b>	<b>Average Weight</b>	<b>Return</b>	<b>Contribution</b>
AAA	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
A	0.7%	-4.3%	0.0%
BBB	11.6%	-5.7%	-0.7%
BB	35.5%	-4.5%	-1.6%
B	24.6%	-3.7%	-0.9%
CCC	3.4%	-0.9%	-0.1%
NR	15.9%	-4.8%	-0.8%
<b>Total Obligations</b>	<b>91.7%</b>		<b>-4.0%</b>
<b>Autres</b>	<b>0.1%</b>		<b>0.0%</b>
<b>Cash</b>	<b>8.2%</b>	<b>-0.2%</b>	<b>0.0%</b>
<b>Total Contribution</b>			<b>-4.1%</b>
<b>Net Performance</b>			<b>-3.8%</b>

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**Sycomore Sélection Crédit**

**ISSUERS**

UNILABS HOLDING AB  
 EL CORTE INGLES  
 ROSSINI SARL  
 COTY INC-CL A  
 IMCD NV  
 NEOPOST  
 DKT FINANCE APS  
 TELIA COMPANY AB  
 TEREOS UCA  
 GETLINK

KORIAN SA  
 RENAULT SA  
 FAURECIA SA  
 ELIOR GROUP  
 SAMHAELLSBYGGNADSBOLAGET I NORDEN  
 NEXI SPA  
 ORPEA  
 ELIS SA  
 TELEFONICA EUROPE BV  
 ENEL

**Average Weight      Return      Contribution**

1.1%	0.9%	0.0%
0.7%	0.9%	0.0%
1.0%	0.5%	0.0%
0.3%	0.7%	0.0%
0.0%	0.7%	0.0%
0.8%	0.1%	0.0%
0.3%	0.8%	0.0%
0.0%	0.5%	0.0%
0.3%	0.2%	0.0%
0.8%	0.0%	0.0%

2.1%	-9.0%	-0.2%
2.4%	-7.1%	-0.2%
2.1%	-6.8%	-0.1%
1.2%	-11.8%	-0.1%
0.9%	-13.5%	-0.1%
2.3%	-5.6%	-0.1%
0.5%	-15.4%	-0.1%
1.8%	-4.3%	-0.1%
1.4%	-5.4%	-0.1%
0.9%	-8.0%	-0.1%

**FUND PROFILE**

Sycomore Sélection Crédit invests in bonds issued by European SRI companies with no rating (Investment Grade, High Yield and Not Rated) or capitalisation size constraints. Bond eligibility is decided through proprietary ESG analysis of the investment universe. The fund focuses on non-financial companies. Financial companies cannot exceed 10%.

**RISK PROFILE**

The chart hereafter reflects the FCP's variable and discretionary exposure to the portfolio's eligible assets. The FCP's risk category is not guaranteed and may change over time. The lowest category does not mean "risk free". Historic data used to calculate the synthetic indicator may not represent a reliable indication of the fund's future risk.

Lower risk, potentially lower returns.



Higher risk, potentially higher returns.

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