

PERFORMANCE (I share)

Q1 2022
Fund: -10.8%
EURO STOXX TR: -8.9%

Inception (24.01.2011)
Fund: +126.9%
EURO STOXX TR: +98.3%

INVESTMENT TEAM



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 Founding partner



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MARKET ENVIRONMENT

After a bullish year in 2021, Eurozone equity markets experienced much higher volatility in the first months of 2022 following the publication of **record inflation readings** in the United States and in Europe, and as the first **monetary tightening** measures proved stronger and faster than initially expected. The **invasion of Ukraine** on February 24th and the sanctions imposed on Russia by Western countries in response to the military action, aimed at cutting Russia's access to capital markets and vital technologies, amplified the sell-off with markets bottoming on March 8th. Long-term rates began to rise sharply, and economic growth forecasts were naturally revised downwards.

However, **markets then bounced back** until the end of the quarter on expectations that the conflict would begin to ease, as talks between both sides made some headway despite continued fighting in the country.

With inflation hitting new highs and central banks tightening their monetary policies, and amid an alarming geopolitical context, several factors nevertheless supported equity markets:

Leading indicators are still at **high levels**; the **job market** has remained **dynamic**; **financial conditions** are highly **accommodative**; **household debt remains low** and corporate **cashflows and balance sheets** are **robust**. **The negative effects of the health crisis on the economy are starting to ebb** and, in many countries, **fiscal policies are likely to prove even more expansionary than expected**, protecting consumers - at least partially - from inflation.

So far, corporate earnings have frequently **exceeded expectations** with continued **upward revisions to guidance**. As of March 31st, according to consensus estimates, the earnings per share for Stoxx 600 index companies is expected to grow by +9.5% in 2022.

Finally, **equity markets - particularly in Europe - are once more trading at attractive valuations**, both in absolute and relative terms.

PERFORMANCE ANALYSIS – SECTORS

| | Pondérations fonds vs indice | Impact T1 |
|---|--|--------------|
| Energy Perf. +5.2% | Underweight 0.8% vs 4.7% for the Eurostoxx TR | -0.5% |
| Industrials Perf. -10.8% | Underweight 22.0% vs 17.3% for the Eurostoxx TR | -0.2% |
| Telecom. Perf. +0.7% | Underweight 1.4% vs 3.6% for the Eurostoxx TR | -0.2% |

During Q1 2022, the fund's sector breakdown weighed on performance (detracting -0.6%).

The fund's under-exposure to the energy and telecoms sectors, as well as its over-exposure to industrials, detracted most from performance.

PERFORMANCE ANALYSIS - INDIVIDUAL STOCKS

In Q1 2022, stock selection within Sycomore Sélection Responsable also detracted from relative performance (-1.3%). Our absence from Bayer (+32.1% in Q1) and TotalEnergies (+5.4%) weighed on the fund's relative results.

Leading detractors

HelloFresh (1.2% of the portfolio; -39.4% in Q1), DSM (3.0%; -17.9%) and Smurfit Kappa (3.1%; -16.4%) suffered from rising interest rates and from investors' fears over the impact of higher commodity and energy prices on their profitability.



Average weight 1.1%
Perf. -24.8%
Contrib. -0.4%
 Mov.: decreased

Korian also featured among the fund's top detractors during the quarter, badly hit following the publication of the investigative journalism book Les Fossoyeurs (The Gravediggers) which makes serious allegations, supported by evidence, on the business ethics of its main competitor, the Orpea group. We feel, however, that the industry offers a solution to the fundamental and fast-growing societal problem that is elderly care, for which there are few alternatives at present. We are convinced that shareholder engagement advocating better practices can play a key role to ensure that the social mission of these private companies lies at the heart of their value proposition. For this reason, in March 2021, we joined a coalition of 105 investors - weighing 3,450 billion dollars - coordinated by the UNI Global Union, the international union federation. We published our stewardship expectations for the sector, with a focus on staff, health & safety, union rights and quality of care for the residents. Naturally, we intend to continue the long-standing dialogue we have conducted with Korian on these issues since 2016.

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.

Leading contributors



Carrefour was the leading contributor to performance during the quarter. The group reported reassuring earnings in February (recurring operating income up 8%, including 20% in France), launched a €750 million share buyback programme in March, and has continued to benefit from a speculative dimension (talks of a merger with Auchan).

Average weight 1.2%
Perf. +22.0%
Contrib. +0.2%
 Mov.: decreased



ASM International, the Dutch semi-conductor specialist, has benefited from the investments required in response to the lack of capacity within the semi-conductor market. The growth stock, which had been impacted by rising interest rates, is now trading at an attractive valuation. The stock was added to the portfolio in February.

Average weight 0.6%
Perf. +12.3%
Contrib. +0.2%
 Mov.: initiated

MAIN PORTFOLIO MOVEMENTS

POSITIONS REDUCED

SAINT GOBAIN
 SCHNEIDER ELECTRIC
 NEXANS

POSITIONS SOLD

COLOPLAST
 IPSEN
 PHILIPS

POSITIONS INCREASED

MERCK KGAA
 COMPASS GROUP
 CREDIT AGRICOLE

POSITIONS ADDED

HERMES
 ORANGE
 AUTOLIV

PERFORMANCE ATTRIBUTION

| | SSR | | | EURO STOXX TR * | | | Total Attribution |
|-----------------|----------------|--------|---------------|-----------------|--------|--------------|-------------------|
| | Average Weight | Return | Contribution | Average Weight | Return | Contribution | |
| Prosus | - | - | - | 1.1% | -33.9% | -0.4% | 0.3% |
| Carrefour | 1.2% | 22.0% | 0.2% | 0.2% | 22.0% | 0.0% | 0.3% |
| ASM Inter. | 0.6% | 12.3% | 0.2% | 0.3% | -14.6% | -0.0% | 0.2% |
| Orsted | 0.9% | 1.7% | 0.1% | - | - | - | 0.2% |
| Air Liquide | 2.9% | 3.7% | 0.1% | 1.4% | 3.7% | 0.1% | 0.2% |
| Delivery Hero | - | - | - | 0.2% | -59.3% | -0.2% | 0.2% |
| Alfen NV | 1.1% | 4.6% | 0.1% | - | - | - | 0.2% |
| Hermès | 1.3% | -3.8% | -0.0% | 0.9% | -15.8% | -0.1% | 0.1% |
| Siemens | - | - | - | 2.0% | -16.0% | -0.3% | 0.1% |
| AXA | 2.9% | 1.5% | -0.0% | 1.1% | 1.5% | 0.0% | 0.1% |
| Coloplast | 0.2% | -13.8% | -0.1% | - | - | - | -0.1% |
| Alstom | 0.8% | -31.9% | -0.3% | 0.2% | -31.9% | -0.1% | -0.2% |
| PolyPeptide | 0.5% | -45.7% | -0.3% | - | - | - | -0.2% |
| Smurfit Kappa | 3.1% | -16.4% | -0.6% | - | - | - | -0.2% |
| Husqvarna | 0.9% | -32.4% | -0.3% | - | - | - | -0.2% |
| Koninklijke DSM | 3.0% | -17.9% | -0.6% | 0.6% | -17.9% | -0.1% | -0.2% |
| Korian Medica | 1.1% | -24.8% | -0.4% | - | - | - | -0.3% |
| TotalEnergies | - | - | - | 2.5% | 5.4% | 0.1% | -0.3% |
| Bayer | - | - | - | 1.0% | 32.1% | 0.3% | -0.3% |
| HelloFresh | 1.2% | -39.4% | -0.6% | 0.2% | -39.4% | -0.1% | -0.4% |
| Cash & Others | 2.6% | | 0.0% | - | - | - | 0.2% |
| Net performance | | | -10.8% | | | -8.9% | |

FUND PROFILE

Sycomore Sélection Responsable aims to deliver long-term returns in excess of those of the Euro Stoxx TR index by selecting **quality companies** that create **sustainable value** for all their stakeholders and present a discount to their **intrinsic valuation**.

This **conviction-based portfolio**, **unconstrained** with respect to style, sector, country or market capitalization, is built on **an in-depth fundamental analysis of companies, in particular on extra-financial issues (ESG)**, allowing a better assessment of risks and the identification of the most attractive long-term opportunities.

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 December change over time. The lowest category does not mean "risk free". Historic data used to calculate the synthetic indicator December not represent a reliable indication of the fund's future risk.

Synthetic risk and reward indicator



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