



RI TRANSPARENCY REPORT

2013/14

Sycomore Asset Management



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⌛	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

Sycomore Asset Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

☐ <10%

☐ 10-50%

☒ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 01.2 Additional information. [Optional]

Sycomore Asset Management is one of the top independent investment firms in France. It focuses on a single business: third-party asset management.

As of 12/31/2013, Sycomore Asset Management has 2.2 billion euros in assets under management through UCITS open-ended funds and separate managed accounts.

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

☒ 1

☐ 2-5

☐ 6-10

☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

35

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
☒ No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		2	200	000	000
Currency	EUR				
Assets in USD		2	897	826	996

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.4 Additional information. [Optional]

OO 06	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	95	0
Fixed income – corporate	5	0

Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

☐ Publish our asset class mix as broad ranges

☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 06.2 Additional information. [Optional]

The core expertise of Sycomore AM is deep fundamental analysis on European equities since 2001.

The firm has started to develop a bond expertise a few years ago and launched a credit fund, with an SRI approach, at the end of 2012.

Sycomore AM also has an asset allocation strategy since 2009, consisting in flexible management within the overall investment universe (including emerging markets), all asset classes and multi-vehicles.

OO 08

Mandatory to Report Voluntary to Disclose

Peering

General

OO 08.1

Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08.2

Additional information. [Optional]

We invest in listed emerging markets equities via two vehicles:

- 1) A UCITS fund of mandates, created by Sycomore AM but run by local independent investment managers based in China, Brazil, Russia and India
- 2) A global asset allocation strategy

OO 09

Voluntary

Descriptive

General

OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Established in 2001, Sycomore AM is a French independent investment firm. Majority held (90%) by its founding partners and employees, it focuses on a single business: third-party asset management.

Regarding investment strategies, Sycomore AM targets long-term returns by investing in companies whose share prices do not reflect their fundamental value. Our conviction-based and opportunistic investment strategy lies on an active, non-benchmarked approach allowing us to select eurozone stocks with no biases in terms of style, sector or market cap.

The investment process is highly structured, both in terms of fundamental analysis, which is the hallmark of our approach, and portfolio construction.

Since 2001, the fundamental analysis of the companies of our investment universe has always included some extrafinancial criteria, such as quality of the top-management or long-term visibility.

In 2008, the founding partners decided to extend the fundamental analysis to ESG (Environment, Social and Governance) criteria. The strategy was to hire an expert in this area, to build a specific model and to apply it to the entire investment universe, but also to redefine Sycomore AM voting policy.

In 2010, Sycomore AM decided to create a dedicated ESG team and to implement the following guidelines regarding RI and ESG issues:

- 1) to assign an ESG rating to the 600 companies that make up Sycomore AM's active investment universe,
- 2) to introduce an ESG risk premium to the whole Sycomore AM's active investment universe,
- 3) to report on ESG footprint fund by fund and on demand,
- 4) to vote at meetings of all French companies held in portfolios,
- 5) to backtest our ESG model every year in order to improve it,
- 6) to take part in ESG events and initiatives,
- 7) to begin a dialogue with companies on ESG issues.

Four years later, the firm ESG activities have largely expanded: Sycomore AM has now a team of three dedicated professionals and our assets under management run through our SRI vehicles went from 0.4 million euros to 350 millions euros.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.		

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.3
Additional information. [Optional]

-We integrate the ESG criteria within the fundamental analysis for the 650 companies that make up Sycomore AM's active investment universe

-We vote systematically for all the french companies held in portfolios, but also for the international companies when Sycomore AM is owning more than 2% of the capital.

-We don't have a formal engagement policy but we make sure that we have an ongoing dialogue with the companies of our investment universe, and more specifically with the french small and mid caps.

OO 11
Mandatory
Gateway
General
OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

☒ Fixed income – corporate

☐ None of the above

OO 11.3
Additional information. [Optional]

We have a specific ESG filter/ESG risk identification for our SRI fixed income fund, Sycomore Selection Credit.

6 ESG risks are identified in our credit analysis framework (environmental risk, social climate risk, reputation risk, financial communication risk, accounting risk, bonholder risk) and we are adding to these specific risks our traditional ESG rating, based on the ESG analysis performed on the equity research side.

Firms showing at least one risk (rating<2 on a scale ranging from 1 to 5) are excluded from the investment universe of Sycomore Selection Credit. Approximately 30% of the universe is excluded after this ESG risk identification.

OO 12
Mandatory
Gateway
General
OO 12.1

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☒ Organisational Overview

☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation
--	--------------------------------------

☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
--	---

☒ Engagements

☒ (Proxy) voting

	Direct - Fixed Income
--	-----------------------

☒ Fixed Income - Corporate

Closing module

☒ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

OO 12.2	Additional information. [Optional]
---------	------------------------------------

Sycomore Asset Management

Reported Information

Public version

Overarching Approach

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 01.1 Indicate if you have a responsible investment policy.

☒ Yes

☐ No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

☒ Yes

☐ No

Sycomore AM is an independent investment firm, which focuses on a single business, third-party asset management.

Since the creation of Sycomore AM in 2001, the investment process, highly structured in terms of fundamental analysis and portfolio construction, has always included extra-financial indicators.

The firm's responsible investment approach is structured around three pillars:

1) *Integration of ESG criteria within the firm investment process*

Our internal financial analysis model is based on a "fundamental risk note" to determine companies risk premium. This "fundamental risk note" goes from C to A+ according to five indicators: "visibility", "solidity", "competition", "management", and since 2008 "responsibility". This last indicator refers to ESG criteria.

The integration of ESG criteria into financial analysis is the following: the ESG note is part of the "fundamental risk note" for every company. Then, this "fundamental risk note" has an impact on risk premium and then this risk premium has an impact on companies' target price.

To simplify, our ESG analysis can impact the target price from -15 to +15%. This applies to our entire investment universe.

Our decision-making process is mainly based on the upside potential of the stock. In that way, the fact that ESG criteria are impacting the target price means that the decision-making process and portfolio construction is directly linked to ESG analysis.

For example stocks with high risks regarding ESG criteria will have less upside potential and may be excluded from our investment screening or may be divested earlier than they would be if they would have a strong corporate social responsibility.

In addition, and only for our SRI funds, Sycomore Selection Responsable and Sycomore Selection Credit, we added some qualitative and quantitative ESG filters into the selection process. We limit the investment universe to eligible stocks based on ESG criteria.

2) *Proxy voting policy*

Sycomore Asset Management has implemented a proxy voting policy that drives the firm to vote for all French companies in portfolios and every companies on which we own more than 2% of the capital. In that regard, Sycomore has developed a proprietary tool called SycoAG, which structures the voting process and helps applying external voting policies for dedicated mandates. The firm uses the services of Proxinvest, an independent voting proxy advisor to help analysing votes.

3) *Controversies watch*

To increase our level of ESG monitoring, our ESG team has developed a controversy monitoring tool which is fully integrated to the firm investment analysis and valuation tool Sycovalo. Depending on the controversy history of the firm, the ESG rating of a company can be impacted negatively, which will lower its target price.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

OA 02.1	Indicate if your responsible investment policy is publicly available.
---------	---

☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
---------	--

	URL
--	-----

<http://www.sycomore-am.com/fr/institutionnels/Notre-expertise/Integration-ESG-ISR>

☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
---------	---

☒ Yes

☒ Yes, all

☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
---------	---

Policy or document name	URL
Code de transparence AFG/FIR	http://www.sycomore-am.com/files/shared_documents/Code_de_transparence_AFGFIR_SSR.pdf
Rapport RSE Sycoway 2012	http://www.sycomore-am.com/sycomore-am/files/shared_documents/RAPPORT_RSE/2012/index.html
Exclusion des armes controversées	http://www.sycomore-am.com/sycomore-am/files/shared_documents/Politique_exclusion_armes_controversees.pdf
Politique de vote 2014	http://www.sycomore-am.com/files/reglement/PDV-2014-SAM.pdf
Rapport d'exercice DDV 2013	http://www.sycomore-am.com/files/reglement/Rapport_Vote_2013.pdf

☐ No

OA 03	Mandatory	Core Assessed	PRI 1,2
-------	-----------	---------------	---------

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

The responsible investment policy and the voting policy is relevant for all the assets under management.

Also, the exclusion policy regarding controversial weapons is relevant for all the assets under management.

For the SRI funds of our offer, we have some specific ESG filters, which apply additionally to our integration strategy but which are not relevant for all AUM.

OA 03.3

Additional information. [Optional]

OA 04**Mandatory****Core Assessed****General****OA 04.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

We do have a specific policy regarding potential conflicts of interest, which is endorsed and supervised by our compliance officer.

Also, we have a specific motion in our voting policy to prevent potential conflicts of interest. If a member of the supervisory board of a company, in which Sycomore AM is about to vote, is also an important client of Sycomore, or is a partner of Sycomore, therefore a special meeting with the fund management team is organized by the internal auditing department to decide what would be the appropriate decision in the best interest of Sycomore customers

☐ No

Objectives and strategies

OA 05**Mandatory****Gateway/Core Assessed****General****OA 05.1**

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year
- ☐ Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
- ☒ Biannually
- ☐ Annually
- ☐ Every two years or less
- ☐ It is not reviewed

☐ No

OA 05.4

Additional information. [Optional]

The objectives for the responsible investment activities are discussed internally and are reviewed twice a year between the ESG team and the top management during professional interviews.

OA 06**Voluntary****Descriptive****General**

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	Complete ESG coverage of the investment universe
Key performance indicators	SRI meetings, improvement and updates of the scoring model
Describe the progress achieved	150 SRI meetings in 2013, new module in our scoring model, ESG rating for the new stocks entering our investment universe, backtesting...

☒ Add responsible investment objective 2

Objective 2	Implementation of a Corporate Sustainable Development approach within SYCOMORE AM
Key performance indicators	Publication of a sustainability report, new internal initiatives...
Describe the progress achieved	Creation of a foundation, publication of the 2012 sustainability report, organization of team building initiatives...

☒ Add responsible investment objective 3

Objective 3	Performance and growth of our SRI strategies
Key performance indicators	Assets Under management, specific communication and promotion of our SRI funds
Describe the progress achieved	SRI mandate awarded at the end of 2013, dedicated SRI event for our clients (ISRWay), our two SRI funds have outperformed their benchmark in 2013

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Increase our ESG coverage quality
Key performance indicators	Number of ESG management meetings, on-site visits, number of sector research notes, participation to AGMs and votes, dialogue with companies on ESG issues

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Increase our SRI assets under management
Key performance indicators	Total assets of our SRI equity, corporate bond and dedicated mandates.

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Educate investors on ESG and SRI issues
Key performance indicators	Number of events dedicated to ESG and SRI, Training sessions with French IFAs, Academic partnerships for research on ESG, Participation to various workshops

Governance and human resources

OA 07	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 07.1 Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

The SRI team is comprised of three members: Lea Dunand-Chatellet, who is the head of ESG Research at Sycomore AM and fund manager of Sycomore Selection Responsable, and Alban Preaubert, an ESG analyst. The third member will join the firm in Q1 2014.

The SRI team is fully integrated within the fund management team (12 analyst-fund managers).

The SRI team is particularly in charge of three fields of intervention: ESG Analysis (with synergy with our analysts/PM team), controversy monitoring and voting rights management.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
 - Head of responsible investment**
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ External managers or service providers
- ☐ Other role, specify
- ☐ Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

3

OA 09

Voluntary

Additional Assessed

General

OA 09.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- ☒ Responsible investment included in personal development and/or training plan

**OA
09.2**

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

Sycomore Asset Management's board members (4 out of 5) are part of the firm executives (2 CIO and 2 Business Developers). In this regard, they are fully involved with the firm responsible investment policies. They have worked in close link with our Head of ESG to implement sustainable development criteria at both the fund and the corporate level.

- ☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Other C-level staff or head of department**Head of Responsible Investments, ESG**

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

☒ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signatory of the Carbon Disclosure Project since 2013

- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Sycomore Asset Management is a Signatory of the PRI since July 2010. The firm is publishing its RI report since 2011.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

FIR (Forum pour l'Investissement responsable) - Frenchsif

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Sycomore Asset Management is a Sponsor and Jury member of the FIR-PRI award (award for an academic research work on SRI issues)

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

AFG (Association Française de la Gestion financière)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Léa Dunand-Châtellet, our Head of ESG is a Member of the SRI commission of the AFG. She is also acting as Chairwoman for the ESG criteria definition committee.

- ☒ Other collaborative organisation/initiative, specify

SFAF (Société Française des Analystes Financiers - French CIIA)

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Sycomore Asset Management is a member of the Sustainable Development commission of the SFAF

☒ Other collaborative organisation/initiative, specify

New City Initiative

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☒ Basic
☐ Moderate
☐ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Member of the New City initiative

☐ Other collaborative organisation/initiative, specify

☐ No

OA 10.3	Additional information. [Optional]
----------------	------------------------------------

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
----------------	--

☒ Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☐ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3

Additional information. [Optional]

- Sycomore AM arranges various events to promote SRI. In particular, Sycomore AM organizes since 2011 a day dedicated to SRI, where the company invites approximately one hundred stakeholders. For example, in 2013, we collaborated with Autolib, the french carsharing company, and proposed to our stakeholders to participate to an on-site visit of this company, in order to raise awareness about sustainable mobility.

- Also, the ESG team sometimes intervenes in some academic institutions to promote SRI to the students

- Our Head of Responsible Investments, ESG at Sycomore AM is delivering training sessions to French IFAs (investment financial advisors)

- Sycomore AM is sponsor of the FIR-PRI award (academic research work on responsible investment)

- Sycomore AM has contributed to write a book that promotes SRI. It will be published in 2014.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

OA 12.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☐ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2 Select the methods you have used.

- ☐ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☐ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

OA 12.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- ☐ Yes, publicly available
- ☒ No
- ☐ No

OA 12.4 Additional information.

Sycomore was involved in the discussions with the French Ministry of Ecology and Sustainable Development. This roundtable was related to the enforcement decree of the Grenelle 2 act

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 13.1 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- ☐ Yes
- ☒ No

OA 13.3 Additional information.

Sycomore Asset Management's core expertise is to perform fundamental analysis on European companies. In this regard, our geographical allocation between markets is mostly based on our bottom-up research on firms rather than top-down indicators.

OA 14	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

OA 14.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- ☐ Yes
- ☒ No

OA 14.4	Additional information.
---------	-------------------------

Our SRI funds primarily allocates capital to companies that have a high level of ESG efficiency and attractive valuations. Environmental and social themes areas are of course impacting positively an investment case but this cannot be the only reason we invest in a company.

Innovation

OA 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

- ESG risk premium: potential impact of the ESG grade on the target price for all the fund managers
- Proprietary model and backtesting every year since 2011 of the financial pertinence of our model and of our ESG criteria. No integration in the model, no collaboration with extra-financial agencies.
- A proprietary tool for the analysis of controversies in the ESG scoring model, which can impact the ESG grade depending on the recurrence and gravity of the controversies
- Implementation of a Corporate Sustainable Development approach within SYCOMORE AM and publication of a sustainability report
- ESG fund reports for all of Sycomore's funds since january 2012
- Proprietary tool for voting management
- Dedicated and proprietary screening tool for the portfolio construction

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
---------	---

☒ Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☒ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

All reported information has been reviewed internally by our Head of Compliance Jean-Baptiste Blanc and by our CEO Laurent Deltour.

☐ No

Sycomore Asset Management

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active – fundamental and other active strategies

% of internally managed listed equities

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

LEI 01.2

Additional information. [Optional]

Sycomore AM has a culture of performance based on active fund management. Stock selection is the major source of Alpha of the investment process at Sycomore AM. The sustainability of our performances relies on a fundamental analysis and a portfolio construction for which a rigorous and structured investment process has been implemented.

Company analysis and valuation are processed through our database SYCOVALO, a proprietary tool shared by every member of the fund management team. This database structures entirely the stock analysis and valuation process and integrates:

-Quantitative data (12-years of account historical, 3-years of forecast, consensus comparison, valuation ratios, profitability level and growth rate...)

-Qualitative data (ESG rating, competitive environment, SWOT analysis, growth perspective, management quality, meeting/visits reports...)

Among the 1500 stocks computed within our database, more than 650 companies are actively followed, which means that their valuation target has been validated less than 3 months ago

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues in listed equity investments.

Sycomore AM always included extra-financial indications in his companies' fundamental analysis framework. In 2008, specific ESG criteria (environment, social and governance) have been integrated into our mainstream analysis. In order to do this, we modified and improved our internal financial analysis model.

Our internal financial analysis model is based on a "fundamental risk note", which aims to determine companies risk premium. This "fundamental risk note" goes from C to A+ according to five indicators: "visibility", "solidity", "competition", "management", and since 2008 "responsibility". This last indicator refers to the ESG note. This ESG note is established according to a proprietary scoring model, made of 85 criteria shared among 3 themes (environnement, social and governance).

As a consequence, the integration of the ESG criteria into the financial analysis is the following: the ESG note is part of the "fundamental risk note" for every company. Then this "fundamental risk note" has an impact on risk premium and then this risk premium has an impact on companies' target price.

To simplify, **our ESG analysis has an impact on the target price, which can range from -15% to +15%**. This applies to our entire investment universe.

Our decision-making process is mainly based on the upside potential of the stock value. In that way, the fact that ESG criteria are impacting the target price means that our decision-making process is directly linked to ESG analysis.

For example, **stocks with high risks regarding ESG criteria will have less upside potential and they may be excluded from our screening investment or we may divest them earlier.**

In addition and only for our SRI fund, we added qualitative and quantitative ESG filters into the selection process. We limit the investment universe only to eligible stocks based on ESG criteria

We also integrate ESG issues by monitoring controversies for every company of our investment universe. Controversies has a negative impact on ESG grade of a firm and consequently to its target price. Specifically for our SRI funds, we start a dialogue with the management of our companies as soon as we identify a controversy. **Over the last 3 years we have sold four stocks on which we saw significant risks linked to controversies.**

ESG incorporation in actively managed listed equities

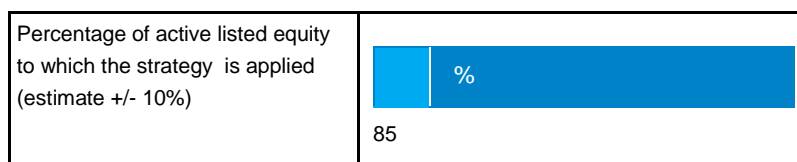
Implementation processes

LEI 03
Mandatory
Gateway/Core Assessed
PRI 1
LEI 03.1

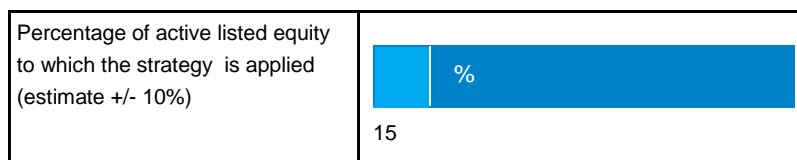
Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

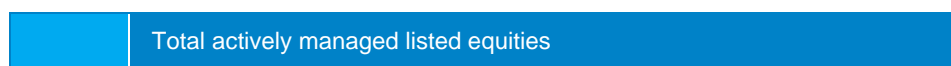
- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☒ Integration alone (i.e. not combined with any other strategies)



☒ Screening + Integration strategies



- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied



100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
----------	---

In the investment process for all the funds of Sycomore AM, we follow an integration strategy as we introduced this ESG risk premium, linked to the ESG note, through our proprietary scoring model, that we attribute to all the companies of our investment universe. **We consider the ESG analysis adds value to our investment process as we are convinced that the companies which have a good understanding and a strong integration of sustainability in their strategy are less exposed to risks and they also can benefit from more opportunities in the long run.**

More specifically, in the investment process of Sycomore Selection Responsable, our SRI equity fund, **we also have a screening strategy as we picked 6 material themes (minimum environmental performances, limited accounting risks, minimum working conditions, buoyant positioning, jobs creation and minority shareholders respect) to compose 2 filters, an exclusion filter and a selection filter.** This allows us, firstly, to exclude companies showing sustainable development risks and, secondly, to pick companies showing sustainable development opportunities.

LEI 04	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
----------	---

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☐ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Company-related analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Sector-related analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Country-related analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Screened stock list

Indicate who provides this information

- ☐ ESG research provider
☐ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Issue-specific analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
☒ Sell-side
☒ In-house – specialised ESG analyst or team
☒ In-house – analyst or portfolio manager
☒ Other, specify

Use of a network of experts (Cognolink) to have access to the firms ecosystem (employees, clients, suppliers...).

Indicate who provides this information

- ☐ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

We are collecting data first and foremost through the annual reports and the sustainable development reports of the companies. But we also use any information which could help us to polish or improve the sharpness of our analysis (publications from brokers, call with various experts, NGO publications, newspapers, social networks...).

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

☒ Yes

LEI 04.4

Describe how you incentivise brokers.

Every year, the fund management team is evaluating all the brokers that collaborate with Sycomore AM. In our evaluation model, we have a specific grade for their ESG research. As a consequence, we try to favour those who supply a good ESG research.

☐ No

LEI 05

Voluntary

Additional Assessed

PRI 1

LEI 05.1

Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

☒ Engagement

- ☐ We have a systematic process to ensure the information is made available.
- ☒ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

LEI 05.2

Additional information. [Optional]

Sycomore AM developed in 2013 a specific and proprietary tool, SycoAG, which allows us to archive all the AGM resolutions and all our votes (and the justification of our votes). This database is also available to all the fund managers.

(A) Implementation: Screening**LEI 06****Mandatory****Descriptive****PRI 1****LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening
☒ Negative/exclusionary screening
Screened by

- ☒ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

In the investment process of our SRI equity fund, we have a first exclusion filter, in order to exclude companies showing sustainable development risks, based on 3 criteria (+ the ESG global grade):

-Environment/Minimum environmental performances (water and energy consumption, greenhouse gases emissions, waste, energy efficiency...)

-Social/Minimum working conditions (average salary, training, absenteeism, turnover, working accidents, social climate...)

-Governance/Limited accounting risks (quality of financial statements, auditor's independence, accounting irregularities...)

-ESG minimum global grade

We require a minimum grade of 2 out of 5 on every criterion for a company to enter our investment universe.

The Sycovalo investment universe includes more than 650 stocks. After this exclusion filter, we have approximatively 300 stocks in our ESG universe.

As it is required by the law and the Oslo Convention, Sycomore Asset Management excludes any investment in controversial weapons.

☒ Positive/best-in-class screening

Screened by

- ☒ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

In the investment process of our SRI equity fund, we have then a second selection filter based on 3 criteria, which allows us to pick companies showing sustainable development opportunities:

-Environnement/Buyout positioning (recycling, energy efficiency, sustainable building, sustainable transport, or fundamental grade of A)

-Social/Job creation (positive average growth of the workforce for the last 5 years)

-Governance/ Minority shareholders respect (absence of poison pills, absence of double voting rights or voting limitations, and ROE>8%)

After this second selection filter, our ESG universe for the SRI fund includes approximatively 150 stocks.

☐ Norms-based screening

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

The 7 criteria of our two successive filters have been established in order to help us, first, to identify companies showing sustainable development risks with the exclusion filter, and secondly, to help us to identify companies showing sustainable development opportunities.

From the implementation of this screening strategy until now, we never changed the criteria of these screenings. However, **we are, of course, regularly reviewing our companies' grades on these criterias as we are updating our database daily with the newsflow.** Also, we are making sure that, every 2 years, a complete review of the ESG evaluation of each company has been done.

LEI 06.3	Additional information. [Optional]
-----------------	------------------------------------

LEI 07	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 07.2

Additional information. [Optional]

The ESG coverage of our investment universe is led by our ESG Team but they are working in synergy with the 12 analysts/PMs of Sycomore Asset Management who share the same investment tool Sycovalo. In that regard, every PMs has a view on those ESG criteria and their relevancy (mistakes or empty fields). This ensures a on-going quality review made by professionals who are directly impacted by those criteria.

LEI 08

Voluntary

Additional Assessed

PRI 1

LEI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached

- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
 - ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
----------	--

Historically our SRI equity and bond funds have never seen a breach regarding their screening criteria.

We have implemented various level of controls to prevent such events. In the case of a specific incident happens, we would act to comply to the fund screening criteria immediately.

In the case of a serious controversy happen to a stock, we desinvest the company without delay. We have some examples of desinvestments specifically because of controversies: Sonova (march 2011), Standard Chartered (july 2012), Bull (december 2012), Alstom (in 2013).

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.		

We consider that the companies which don't have a sustainability approach in their strategy face long term risks (regulation, industrial accidents, corruption, licence to operate...) and won't be able to take advantage of long term opportunities (buoyant positioning, innovation, human resources management and attractiveness of talents...). Therefore, this absence of an integration of sustainability issues could definitively have a financial impact (maintenance investments, lack of productivity/competitiveness, environmental fines,...) for those companies, which explains why we decided to integrate an ESG risk premium to value all the stocks of our investment universe. This ESG risk premium has a potential impact on the target price of +/-15%.

We developed our ESG framework in 2008 and have continuously improved it in the last 4 years. It consists mainly on a scoring model, based on 85 criteria.

We also developed a specific module in our portfolio construction tool in order to allow us to screen the stocks on ESG criteria.

LEI 11	Mandatory	Core Assessed	PRI 1
LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
----------	------------------------------------

We have a proprietary scoring made of 85 criteria shared among the 3 themes (environment, social and governance). **We cover 100% of our investment universe and we are updating daily this database.** Our ESG model is open to all the fund managers of Sycomore AM. The ESG team is mainly responsible for the implementation of ESG data in this database but the other mainstream fund managers are also able to complete this database and to use the available informations.

LEI 12	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2	Describe how ESG information is held and used by your portfolio managers.
----------	---

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 12.3	Additional information.
----------	-------------------------

Sycomore AM has an internal database where all financial and extrafinancial information are disclosed. This software has been made by Sycomore AM and is accessible and is used by each member of the fund management team. It is composed of all traditional data (such as balance sheet, income statement, risk premium, financial hypothesis) but it also encompasses all the extrafinancial datas, including the ESG (environment, social and governance) analysis framework.

Also, the ESG team is regularly writing some sectorial analysis to the mainstream fund managers to let them know what are the key ESG issues for each industry and to let them know which companies are the most proactive on these issues within the industry. When a sectorial analysis is completed, an email is sent to the asset management team. This email summarizes: ESG notes (with the detail of the E, S and G notes), the sectorial ranking, the main ESG drivers, the worst company, the best company and the major initiatives within the industry.

LEI 13	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

LEI 13.1	Indicate into which aspects of investment analysis you integrate ESG information.
-----------------	---

- ☒ (Macro) economic analysis
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Industry analysis
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Analysis of company strategy and quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Idea generation
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Portfolio construction
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Fair value/fundamental analysis
 - ☒ Systematically
 - ☐ Occasionally

LEI 13.2	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.
-----------------	--

- ☐ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
-----------------	---

- ☒ Screening

	Describe any reduction in your starting investment universe or other effects.
--	---

For our SRI funds, Sycomore Selection Responsable, the starting investment universe is 650 stocks whereas the final investment universe of the funds is only 150 stocks, after our 2 ESG filters (exclusion and selection)

	Specify the percentage reduction
--	----------------------------------

	%
--	---

80

☒ Integration of ESG issues

	Select which of these effects followed your ESG integration:
--	--

☒ Reduce or prioritise the investment universe

☐ Overweight/underweight at sector level

☒ Overweight/underweight at stock level

☒ Buy/sell decisions

☐ Other, specify

LEI 15.2	Additional information.
-----------------	-------------------------

-Overweight/underweight at stock level:

Our internal financial analysis model is based on a "fundamental risk note" to determine the companies' risk premium. This "fundamental risk note" goes from C to A+ according to five indicators: "visibility", "solidity", "competition", "management", and since 2008 "responsibility" (ESG note).

The integration of ESG criteria into financial analysis is the following: the ESG note is part of the "fundamental risk note" for every company. Then this "fundamental risk note" has an impact on risk premium and then this risk premium has an impact on companies' target price.

To simplify, our ESG analysis has an impact on target price from -15 to +15%. This applies to our entire investment universe.

-Reduce or prioritise the investment universe:

We reduce the investment universe of our SRI funds through 2 ESG filters (screening and exclusion).

-Buy/sell decisions:

Specifically for our SRI funds, there is a permanent controversies watch and when there is a negative newsflow regarding ESG issues, the fund manager take very quickly the decision to disinvest a company. Also, when the level of controversies for a company is considered too high, the ESG team can blacklist the company for all the fund managers of the company.

LEI 16	Voluntary	Descriptive	PRI 1
LEI 16.1	Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.		

a) Impacted funds' financial performance

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes
<input type="radio"/> No	<input type="radio"/> No

b) Reduced funds' risk or volatility

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes
<input type="radio"/> No	<input type="radio"/> No

c) Improved funds' ESG performance

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes
<input type="radio"/> No	<input type="radio"/> No

-Performance of Sycomore Selection Responsable (SRI fund of Sycomore AM) from inception (on 24/01/11) to 31/12/13: +35.6% vs Eurostoxx TR 22.4%

-Volatility of Sycomore Selection Responsable (SRI fund of Sycomore AM) from inception (on 24/01/11) to 31/12/13: 18% vs Eurostoxx TR 21%

Also, we backtest every year our ESG model and we are able to see some clear correlation between the stock performance/volatility and our ESG rating of these companies. This correlation is particularly visible on specific ESG indicators, such as social climate, growth model, intangibles, management turnover, board composition, quality of financial statements or financial communication.

->FIRST BACKTESTING IN 2012 (OVER 2011 PERIOD)

All criteria and ESG themes were tested versus:

- The fund's performance and volatility;
- The economic performance: financial indicators such as productivity (Revenue per employees), the valuation ratio (PE), the EBIT margin and the ROE.

We used a simple and solid methodology: analysis of correlations between the grades given to each criterion (from 1 to 5) and the indicators of stocks and corporate performance.

This first backtesting was achieved on more than 500 stocks belonging to our investment universe.

IMPACT ON STOCK PERFORMANCE

-5 criteria correlated strongly to performance: the good execution of the corporate strategy, the stability of the top management, the internal growth model, the favorable social climate and the quality of the financial statements. Companies getting grades above average on these criteria have outperformed their indices in 2011.

-5 pertinent criteria strongly correlated to volatility: the good execution of the strategy, the coherent remuneration of the top management, the quality of the financial communication, the internal growth model and the favorable social climate. Companies getting grades above average on these criteria have known a lower volatility compared to the markets in 2011.

IMPACT ON CORPORATE ECONOMIC PERFORMANCE

Productivity - We hold 2 criteria: social climate and regulatory context. When these criteria are unfavorable to the company, its productivity was below its sector average.

EBIT margin - Five criteria are positive: the favorable social climate, the good execution of the strategy, the quality of the financial statements, the pricing power and the competitive advantage.

ROE - Five positive criteria: the favorable social climate, the good execution of the strategy, the quality of the financial statements, the quality of the financial communication, and the market shares' growth.

PE - No criteria have had a real impact on P/E in 2011

SUSTAINABLE DEVELOPMENT THEME

Throughout 2011, we hold financial communication as the main theme emerging from the governance

analysis. The quality of the financial communication is particularly correlated to the performance and volatility of the companies. In average, companies within our universe showing the best grades (5 on 5) have outperformed the EURO STOXX of about 1000bp, and have known a volatility below 20% throughout 2011.

LEI 17	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
----------	---

- ☐ ESG issue 1
- ☐ ESG issue 2
- ☐ ESG issue 3
- ☐ ESG issue 4
- ☐ ESG issue 5

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
----------	---

- ☒ We disclose it publicly

	Provide URL
--	-------------

<http://www.sycomore-am.com/en/institutionnels/Our-expertise/ESG-SRI-Integration>

	Provide URL
--	-------------

<http://www.sycomore-am.com/en/institutionnels/Our-offer/Reporting>

LEI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

- ☒ Yes

LEI 18.3	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
----------	---

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI
18.4**

Indicate how frequently you typically report this information.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 18.5

Additional information. [Optional]

-Since January 2012, the Equity long only strategies systematically integrates an ESG footprint within their fund report

-Since March 2012, the quarterly reports integrate a specific SRI section, composed of an article related to ESG news at Sycomore AM and an ESG mapping of the funds.

Sycomore Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

At the moment, Sycomore AM does not practice engagement in a very formal way.

However, it keeps a continuous dialogue with companies regarding corporate social responsibility integration. For example, in 2013 we met with 148 companies specifically on ESG issues and we contacted all the companies in our investment universe when we consider their level of transparency was too poor. We also try to maximise our on-site visits every year in order to be able to observe concretely how the companies are integrating ESG issues.

Also, on specific occasions, we may engage more actively. For example, in 2013, we tried to file a motion in a shareholder meeting.

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
-----------------	------------------------------------

In 2013, the ESG team met 148 companies specifically on ESG issues (one to one meetings or management presentations) to help us assess sharply the ESG rating of the companies in our database Sycovallo.

Also, when we consider the sustainability reporting of some companies is not transparent enough, or when we consider their practices are not very responsible, we let them know that they are not answering our expectations regarding ESG issues and that they can't enter our investment universe, at least for the SRI funds we are managing. We observed that this initiative is more effective when the dialogue is established with small and mid caps companies.

Process

Process for engagements run internally

LEA 03

Mandatory

Core Assessed

PRI 2

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

☐ Yes

☒ No

LEA 03.3	Additional information. [Optional]
-----------------	------------------------------------

We don't have a specific policy regarding engagement but when we consider the practices of some companies regarding ESG are too poor and we consider we may have enough influence to change their practices, we may decide to engage. However, our engagement activities have been limited so far, but we intend to develop them in the medium term.

LEA 04	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
-----------------	--

☐ Yes

☒ No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.
-----------------	---

☒ Yes

☐ Yes, in all cases

☐ Yes, in the majority of cases

☒ Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.
-----------------	---

We don't necessarily monitor closely the progress of our engagement activities.

However, we have a specific indicator in our ESG analysis model, in which we are assessing the ESG delivery. As a consequence, after our discussions with the management team of the companies, when we observe that the companies are following our recommendations after our meetings, we are clearly improving their ratings on this specific indicator.

☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
--------	-----------	---------------------	---------

LEA 09.1	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
----------	---

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2	Additional information.
----------	-------------------------

We are sharing all our informations in our proprietary tool, Sycovalo. So all the insights gained from our various initiatives and engagements (feedbacks from meetings, from AGM...) are written in our database and the investment managers who consider that these informations are relevant for their investment decisions may use them.

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1	Indicate if you track the number of companies you engage with.
----------	--

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA
10.2

Additional information. [Optional]

Even if we don't engage very frequently, we generally keep a record for the major engagements that we are undertaking. For example, we archive all the motions that Sycomore filed in the shareholder's meetings. We also keep a record for all our votes in general assembly meetings, thanks to our new module, SycoAG.

Also, each time we have a meeting and a dialogue with a company, the fund managers and the ESG team is writing a feedback in our internal database, Sycovalo.

Outputs and outcomes

LEA 11

Mandatory to Report Voluntary to Disclose

Core Assessed

PRI 2

LEA
11.1

Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	1

LEA
11.2

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.5	Additional information. [Optional]
-----------------	------------------------------------

We engaged once in 2013, when we tried to table a motion at the AGM of CS Communication& Systèmes. This motion was related to a governance and a remuneration issue. However, this company refused to put forward this shareholder's proposal.

LEA 12	Voluntary	Additional Assessed	PRI 2
---------------	------------------	----------------------------	--------------

LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.
-----------------	--

Type of engagement	Coverage
Individual / Internal staff engagements	<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.
-----------------	---

	Individual / Internal staff engagements
--	---

	% Corporate Governance only
--	-----------------------------

100

100%

LEA 13	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

☐ Yes

☒ No

LEA 13.3	Additional information.
----------	-------------------------

We track the evolution of the ESG grade of our investment universe on a yearly basis. This ESG track-record help us to measure improvement or deterioration of ESG quality within our companies.

It is more difficult for now to measure the direct impact of our organisation to those changes, especially for large caps companies.

LEA 14	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
----------	---

☒ Add Example 1

Topic or ESG issue	Governance/remuneration issue at CS Communication & Systemes
Conducted by	<input checked="" type="checkbox"/> Individual / Internal
Objectives	We tabled a motion at the general assembly in order to fix a remuneration issue at the company.
Scope and Process	The motion was about trying to cap the fixed remuneration of the top management as long as the financial results of the company were not improving
Outcomes	The motion was not put forward at the shareholder's approval by the president.

- ☐ Add Example 2
☐ Add Example 3
☐ Add Example 4
☐ Add Example 5
☐ Add Example 6
☐ Add Example 7
☐ Add Example 8
☐ Add Example 9
☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
-----------------	--

- ☐ We disclose it publicly
☒ We disclose it to clients and/or beneficiaries only

LEA 15.3	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
-----------------	--

	Engagement information disclosed
--	----------------------------------

- ☒ Details of the selections, priorities and specific goals of engagement
☒ Number of engagements
☐ Breakdown of engagements by type/topic
☐ Breakdown of engagements by region
☐ An assessment of the current status of the engagement
☐ Outcomes that have been achieved from the engagement
☐ Other information

LEA 15.4	Indicate how frequently you typically report engagements information
-----------------	--

- ☐ Disclosed continuously (prior and post engagements)
☐ Disclosed quarterly
☒ Disclosed annually
☐ Disclosed every two years or less
☐ Other, specify
☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

In 2011, Sycomore AM has unveiled a new voting policy, which is updated every year, based on the recommendations of the Association Française de Gestion (AFG). It has been enlarged to ESG issues and especially corporate governance issues. The policy is public and available on our website. It describes how we intend to exercise the voting rights attached to the shares held within the mutual funds that we manage. Sycomore AM's voting policy looks over:

- The way we exercise our voting rights (universe, responsibility, organisation, analysis...);
- The respect of minority shareholders' rights ("one share-one vote" principle, poison pills, resolutions from minority shareholders...);
- The supervisory board organization (independence, committee, nomination...);
- The remuneration policy (executive directors and nonexecutive directors);
- The financial structure (capital increase, corporate bonds, stock-options...).
- The voting policy also clarifies that we are in favour of environmental and social resolutions.

As a French asset manager, we vote at shareholder's meetings of all French companies held in our portfolios. Regarding foreign companies, we vote only if Sycomore AM is a significant shareholder (over 2% of the capital). This voting universe represents around 40 to 50% of our positions.

Sycomore AM works with Proxinvest, an independent French proxy voting advisory company. Each year, after consulting with investors in the autumn, Proxinvest updates its voting policy recommendations for the following year. This is a way for Sycomore AM to discuss about voting practices and new regulations with other investors. Sycomore AM also uses Proxinvest's platform daily to analyse resolutions and to follow controversies.

Sycomore AM is also member of the AFG (Association Française de Gestion), that provides specific governance alerts on companies' AGM for investors. The AFG also informs investors when a motion is proposed by minority shareholders in order to have the opportunity to take part of it.

Sycomore AM also draws up a yearly report on how it exercised the voting rights attached to the shares held within the mutual funds that it manages.

In 2013, Sycomore AM developed a new proprietary tool, SycoAG, to archive our votes and to facilitate the voting processes between the ESG team, in charge of voting, and the middle office, in charge of the implementation of the votes.

Process

LEA 17

Mandatory

Descriptive

PRI 2

LEA
17.1

Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

- ☐ We use our own research or voting team and make our own voting decisions without the use of service providers.
- ☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA
17.2

Additional information.[Optional]

Sycomore AM works with Proxinvest, an independent French proxy voting advisory company. Each year, after consulting with investors in the autumn, Proxinvest updates its voting policy recommendations for the following year. This is a way for Sycomore AM to discuss about voting practices and new regulation with other investors. Sycomore AM also uses proxinvest's platform daily to analyze resolutions and to follow controversies.

There are many similarities between the voting policy of Sycomore and the voting policy of Proxinvest. However, they are not exactly identical. When there are some differences, Sycomore is voting according to his own voting policy.

In 2013, we have developed a proprietary voting tool Syco AG that enables us to vote on dedicated mandates according to our clients own proxy voting policy.

LEA 19

Voluntary

Descriptive

PRI 2

LEA
19.1

To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.

- ☐ Obtain confirmation that votes have been lodged:
- ☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☒ None of the above

LEA 20

Voluntary

Additional Assessed

PRI 2

LEA
20.1

Indicate if your organisation has a securities lending programme.

- ☒ Yes

LEA
20.2

Indicate how voting is addressed in securities lending programme.

Please select one of the following

- ☒ We recall most securities for voting on all ballot items
- ☐ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)
- ☐ No

LEA
20.3

Additional information. [Optional]

For our SRI fund, we don't have a securities lending programme.

LEA 21

Mandatory

Core Assessed

PRI 2

LEA
21.1

Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- ☐ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☒ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA
21.2

Additional information. [Optional]

We track the reason why we abstain or we vote against management recommendations for all votes we participate within our tool Syco AG.

We do not systematically inform companies why we have voted against management or abstained but we have the ability to do so if required in the future.

Outputs and outcomes

LEA 22

Mandatory

Core Assessed

PRI 2

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

50

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☒ of the total value of your listed equity holdings on which you could have voted

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

As a French asset manager, we vote at shareholder's meetings of all French companies held in our portfolios. Regarding foreign companies we vote only if Sycomore AM is a significant shareholder (over 2% of capital). This voting universe represents around 40 to 50% of our positions.

We collect the information for all the votes in which we participate.

☐ We do not track or collect this information

LEA 22.3	Additional information. [Optional]
-----------------	------------------------------------

LEA 23	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	--

☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	<div> <div></div> <div>%</div> </div> 71.3
Against (opposing) management proposals	<div> <div></div> <div>%</div> </div> 28.7
Abstentions	<div> <div></div> <div>%</div> </div> 0

100%

LEA 23.3	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

The voting policy for 2014 is available on the website: <http://www.sycomore-am.com/files/reglement/PDV-2014-SAM.pdf>.

The report on our voting activities in 2013 is also available on the website: http://www.sycomore-am.com/files/reglement/Rapport_Vote_2013.pdf

☐ No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
-----------------	---

☒ Yes

LEA 24.2	Indicate the number of ESG shareholder resolutions you filed or co-filed.
-----------------	---

	Total number
--	--------------

1

LEA 24.3	Indicate what percentage of these ESG shareholder resolutions.
-----------------	--

Went to vote	<div><div></div>%</div> <div>0</div>
Were withdrawn due to changes at company and/or negotiations with the company	<div><div></div>%</div> <div>0</div>
Were withdrawn for other reasons	<div><div></div>%</div> <div>100</div>

Total

100%

LEA 24.5	Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.
-----------------	--

The ESG shareholder resolution that we filed was related to a governance issue at CS Communication& Services. We were lobbying to impose a limitation on the remuneration of the top-management as long as the financial results of the company are negative.

☐ No

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
---------------	------------------	----------------------	----------------

LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

☒ We disclose it publicly

provide URL

<http://www.sycomore-am.com/files/reglement/PDV-2014-SAM.pdf>

provide URL

http://www.sycomore-am.com/files/reglement/Rapport_Vote_2013.pdf

**LEA
26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEA
26.3**

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☐ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☒ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☒ No explanations provided

**LEA
26.4**

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

☐ No

☐ We disclose it to clients/beneficiaries only

☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA
26.6**

Additional information. [Optional]

If our clients want to have the details of our votes on some specific AGM, we are able to disclose them more voting informations.

Sycomore Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	PRI 1
-------	---------------------	-----------------------	-----------------	-------

FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

FI 01.2

Additional information. [Optional]

Sycomore AM is managing an opportunist bond picking fund, Sycomore Sélection Crédit, which includes an ESG risk identification in his investment process.

FI 02	Mandatory to Report	Voluntary to Disclose	Peering	General
-------	---------------------	-----------------------	---------	---------

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Corporate	
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	
High yield	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate	
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%	
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	

FI 02.3

Additional information. [Optional]

Sycomore Selection Credit, the bond picking fund of Sycomore AM, follows an approach that is opportunistic:

-Investments on European corporate debt without constraints of rating (Investment Grade, High Yield and Non rated)

-All size approach

-Picking opportunities both in primary and secondary markets

ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
---------	---

Fixed Income - Corporate

At the beginning of our investment process for Sycomore Selection Credit, there is an ESG filter, identifying six ESG risks (environmental risk, social climate risk, reputation risk, financial communication risk, accounting risk and bondholder risk). **Firms showing at least one risk (rating <2 out of 5) are excluded from the investment universe.** Finally, 30% of the investment universe is excluded after this ESG filter.

Also, we take into account a seventh criteria, the ESG rating, which is based on the ESG analysis performed on the equity research side, and all these criteria will contribute to the global credit rating, on which the fund managers will rely to construct their portfolio.

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
-------	-----------	-----------------------	-------

FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.
---------	--

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #0070C0; width: 100%; height: 20px; position: relative;"> <div style="background-color: white; width: 10%; height: 100%; position: absolute; left: 0;"></div> % </div> <div style="text-align: right; margin-top: 5px;">100</div> </div>
---	---

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

	Total actively managed fixed income - corporate
--	---

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
---------	---

The sustainability of our performances relies on a fundamental analysis and a portfolio construction for which a rigorous and structured investment process, based on an integration and screening strategy, has been implemented. Bond-picking is the main source of Alpha of our investment process.

Therefore, in our investment process, we first have a screening strategy as we exclude all firms showing at least one risk (rating<2) out of our six ESG risks identified (environmental risk, social climate risk, reputation risk, financial communication risk, accounting risk, bondholder risk). These risks are quite different from those that we are considering in our investment process for our SRI equity fund, as we are convinced that there are some differences between the preoccupations of bond investors and equity investors. 30% of the credit universe is excluded after our ESG screening.

After this ESG filter, we take into account these criteria and a seventh criteria, the ESG rating which is based on the ESG analysis performed on the equity research side, to attribute a global ESG credit rating to the company.

This ESG credit rating helps us to assess a global credit rating, based on this ESG credit rating but also, on three other pillars (fundamental analysis, financial analysis and cycle).

This global credit rating will then help us to construct our bond portfolio.

FI 05	Voluntary	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 05.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
---------	---

Type of ESG information

☒ Raw ESG company data

	Describe who provides this information.
--	---

Management and employees of the companies (investor relations, CEO, CFO, head of sustainability, human resources director, employees...), annual and sustainability reports...

☒ Issuer-related analysis or ratings

Describe who provides this information.

Brokers, experts (through our primary research partner Cognolink), NGO, newspapers, social networks...

☒ Sector-related analysis or ratings

Describe who provides this information.

Brokers, experts (through our primary research partner Cognolink), NGO, newspapers, social networks...

☒ Country-related analysis or ratings

Describe who provides this information.

Brokers, experts (through our primary research partner Cognolink), NGO, newspapers, social networks...

☐ Screened bond list

☒ Issue-specific analysis or ratings

Describe who provides this information.

Brokers, experts (through our primary research partner Cognolink), NGO, newspapers, social networks...

☐ Other, specify

FI 05.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

We are using mainly raw data, collecting first informations through the annual reports and sustainability reports of the companies. But we are also trying to collect further informations talking to the management of the companies. Also, we may use brokers research, and we try to find and to use any information that could be useful in our ESG incorporation strategy.

However, we are not working with any extra-financial rating agencies and we are not integrating any external rating in our proprietary model.

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

Description

Firms who are exposed to at least one of the ESG risk that we identified are excluded from our investment universe. These 6 ESG risks are: environmental risk, social climate risk, reputation risk, financial communication risk, accounting risk, bondholder risk

We consider that the companies are exposed to one of these ESG risks when their rating is lower than 2 (out of 5) in our proprietary ESG model.

In accordance with French laws and the Oslo convention, we do not invest in companies involved with controversial weapons.

- ☐ Positive/best-in-class screening
- ☐ Norms-based screening

FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Before we decide to invest in a corporate bond, we do a complete ESG analysis of the company. If we consider the company is not exposed to a major ESG risk, then the company enters our investment universe and can be selected by the fund managers of Sycomore Selection Credit.

We are constantly following the ESG newsflow regarding our investment universe and we are reviewing our ESG rating every time we consider it is necessary. Every 2 years, we make sure that a complete review of our ESG analysis for every company has been done.

We are not notifying clients directly when we are changing our ESG rating of the companies but some of those informations regarding our ESG ratings can be found in our monthly and quarterly report.

FI 07**Mandatory****Core Assessed****PRI 1****FI 07.1**

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 07.2

Additional information. [Optional]

The ESG team, but also the fund managers of Sycomore AM, continually update our database, Sycovalo. In particular, the ESG module is completed every day and we integrate on a constant basis the ESG newsflow regarding the companies of our investment universe.

The ESG team is monitoring the composition of the bond portfolio to ensure that portfolio holding comply with our ESG requirements.

FI 08**Voluntary****Additional Assessed****PRI 1**

FI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:

☒ Systematic

☐ Occasional

☐ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria

☒ Audits of fund holdings are undertaken regularly by internal audit function

☐ Other, specify

☐ None of the above

FI 08.2

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

The ESG team regularly supervises the composition of the portfolio Sycomore Selection Credit and checks that the investments are compliant with our ESG approach.

The ESG team alerts the fund managers when an investment is considered non compliant and the fund managers have to adjust the portfolio promptly.

(C) Implementation: Integration of ESG factors

FI 10**Voluntary****Descriptive****PRI 1****FI 10.1**

Describe how you integrate ESG issues into investment decision-making processes.

We have a comprehensive credit analysis, including ESG issues, integrated to our Sycovalo tool. Our Sycocredit analysis is focused around 4 pillars:

-fundamental risk

-financial risk

-cyclical risk

-ESG risk: This ESG analysis is rated out of 5, and takes into account the 6 ESG risks previously rated in our screening strategy, plus the traditional ESG rating which is based on our ESG analysis performed on the equity research side.

Based on these 4 pillars, we have a proprietary credit rating for each stock analysed, which helps us to define our eligible universe. And then, among issuances, we select credit lines that show the best terms, and we construct a portfolio with importance given to sector diversification

FI 11	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
---------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2	Additional information. [Optional]
---------	------------------------------------

We have a proprietary scoring, on the ESG equity research side, made of 85 criteria shared among the 3 themes (environment, social and governance). We cover 100% of our investment universe and we are updating daily this database. This ESG equity research is completed by the assessment of the 6 specific ESG risks on the equity research side.

Our ESG model impacts all fund managers of Sycomore AM. The ESG team is mainly responsible for the implementation of ESG data in this database but the other mainstream fund managers are also able to complete this database and to use the available informations.

FI 12	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 12.2	Describe how ESG information is held and used by your portfolio managers.
----------------	---

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify

FI 12.3	Additional information.
----------------	-------------------------

Sycomore AM has an internal database where all financial and extrafinancial information are disclosed. This software has been made by Sycomore AM and is accessible and is used by each member of the fund management team. It is composed of all traditional data (such as balance sheet, income statement, risk premium, financial hypothesis) but it also encompasses all the extrafinancial datas, including the ESG (environment, social and governance) analysis framework.

Also, the ESG team is regularly writing some sectorial analysis to the mainstream fund managers to let them know what are the key ESG issues for each industry and to let them know which companies are the most proactive on these issues within the industry. When a sectorial analysis is completed, an email is sent to the asset management team. This email summarizes: ESG notes (with the detail of the E, S and G notes), the sectorial ranking, the main ESG drivers, the worst company, the best company and the major initiatives within the industry.

Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.		

Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.2	Additional information.
---------	-------------------------

-Narrow down or prioritise the investment universe:

Approximatively 30% of the universe is excluded after our ESG filters.

-Buy / sell / weight decisions:

Also, following controversies on specific companies, the fund managers, in collaboration with the ESG team, may decide to sell the bonds of these companies

FI 16	Voluntary	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 16.1	Indicate if you believe (by applicable strategy) that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.
---------	--

Fixed Income - Corporate

a) Impacted funds' financial performance
--

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

b) Reduced funds' risk or volatility

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

c) Improved funds' ESG performance

Screening	Integration of ESG issues
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

FI 16.2	Describe how you are able to determine these outcomes and your actual performance.
---------	--

The ESG credit fund has been launched only at the end of december 2012, so we didn't have the possibility yet to make the backtesting allowing us to know exactly the correlation between our ESG ratings and the performance/volatility of the fund.

However, we have a strong conviction at Sycomore AM that ESG integration adds value to our investment process. Besides, **the backtesting of our ESG model on the equity research side showed some clear positive correlation between some of our ESG criteria and the performance/volatility of the SRI equity funds and strengthened this conviction.**

FI 16.3	Additional information.
---------	-------------------------

In 2013, our Sycomore Sélection Crédit fund achieved a net performance of +6.2% vs. +1.7% for the Barclays Euro Corporate ex-Financials TR with a lower volatility.

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
-------	-----------	---------------	---------

FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
---------	--

☒ We disclose it publicly

	Provide URL
--	-------------

http://www.sycomore-am.com/files/shared_documents/Code_de_transparence_AGFFIR_SSC.pdf

	Provide URL
--	-------------

<http://www.sycomore-am.com/fr/institutionnels/Notre-expertise/Integration-ESG-ISR/Nos-fonds-ISR>

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
---------	---

☒ Yes

FI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

Engagement in fixed income investments

Fixed Income - Corporate

FI 19**Voluntary****Descriptive****PRI 2****FI 19.1**

Indicate if you engage with corporate issuers.

- ☒ Yes

FI 19.2

Describe your organisation's approach to engagement in corporate fixed income.

We don't have a formal policy regarding engagement in our corporate fixed income investments. **However, when we consider there may be some specific ESG issues in a company of our portfolio, we may send a mail to the company or we may try to have a direct contact with the management/investor relations** to ask some explanations about the problematic topic and to encourage some changes in their behaviour.

- ☐ No