

HUMAN  
is CAPITAL



# Sycomore Happy@Work

## A fund focusing on human capital

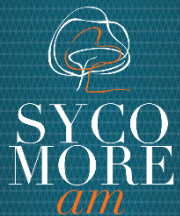
November 2019

**Jessica Poon**  
Senior Global Portfolio Manager

### Warning

This document is meant exclusively for qualified investors as defined in articles L. 411-2 and D. 411-1 of the French financial and monetary code and for professional investors as defined in articles L. 533-16 and D. 533-11 of the same code. It may in no case whatsoever be used in promotional or marketing activities aimed at non-professional investors.

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# Sycomore Happy@Work

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Sycomore AM

What is Happy@Work and why do we care?

How do we define Happy@Work?

Portfolio and performance

Appendix

## An **entrepreneural** vision

- Boutique founded in 2001, equity **partnership** including co-founders and senior employees



- Strategic partnership with Generali in 2019
- **Independent** in terms of governance, strategy and fund management

## **Independence in our investment management**, strong performance driver

- **Stable** and **experienced** management
- **21** analysts-fund managers
- Fundamental and proprietary analysis

## Our key asset: **human capital**

- **66** professionals
- A corporate culture focused on **talent**, **cohesion** and **commitment**
- A happy employee is more creative, more involved, more successful



Happy@Work 2019  
certified « Agile »  
Happy index

## Leading company in sustainable **investment**

- Integrated **extra-financial analysis** applied to all managed assets
- **7** SRI specialists
- **€6.1 bn AUM** of which **45%** with a specific **SRI approach**

Our corporate mission

MAKE INVESTMENT

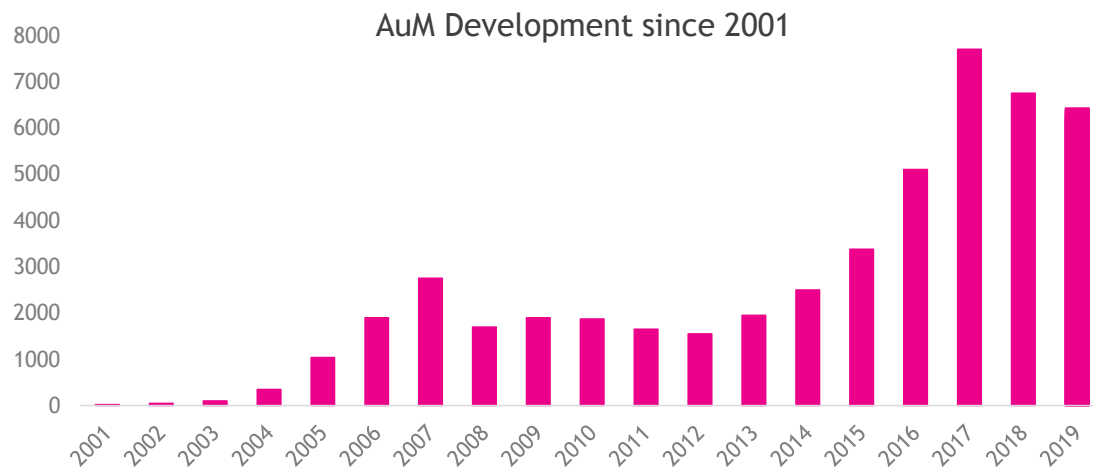
MORE HUMAN



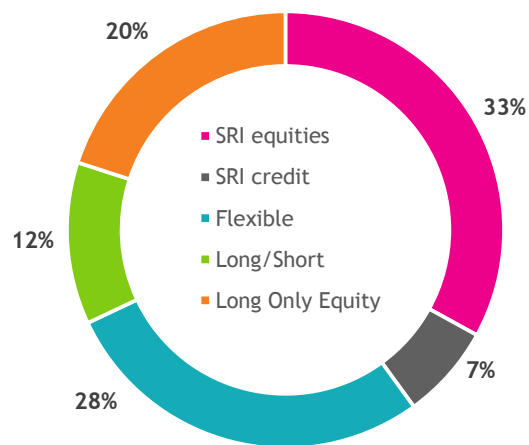
HUMAN  
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# Assets under management

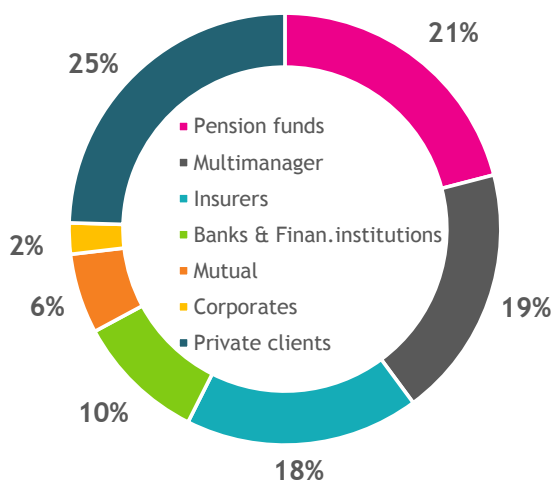
€6.1bn of which 76% for Institutional Clients of which 15% outside of France



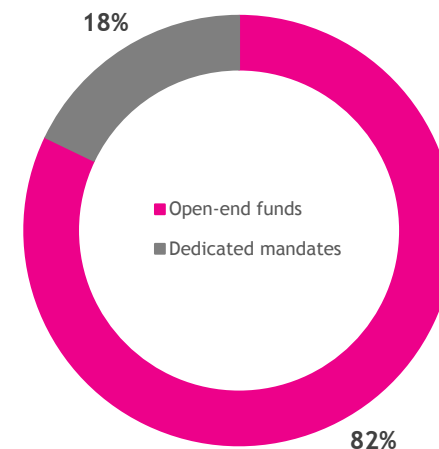
AuM breakdown by assets



AuM breakdown by client type



AuM breakdown by vehicle



# Broad recognition, numerous awards

## Investment management recognised in France and abroad



“High Standards” Rating  
2008-2017  
Upgraded to “Excellent”  
(highest distinction) in 2018  
Fitch Ratings



2018 Best Asset Management  
Company, 4<sup>th</sup> consecutive year  
Gestion de Fortune



2016  
THOMSON REUTERS  
LIPPER FUND AWARDS

Special prize Asset Management  
Trophy, Option Finance  
Funds Magazine



2017 Alpha League Table  
2<sup>nd</sup> place  
Alpha generation ranking  
Europerformance



2018 European Funds Trophy  
Best French Management Company  
(8 to 15 funds)  
Fundclass



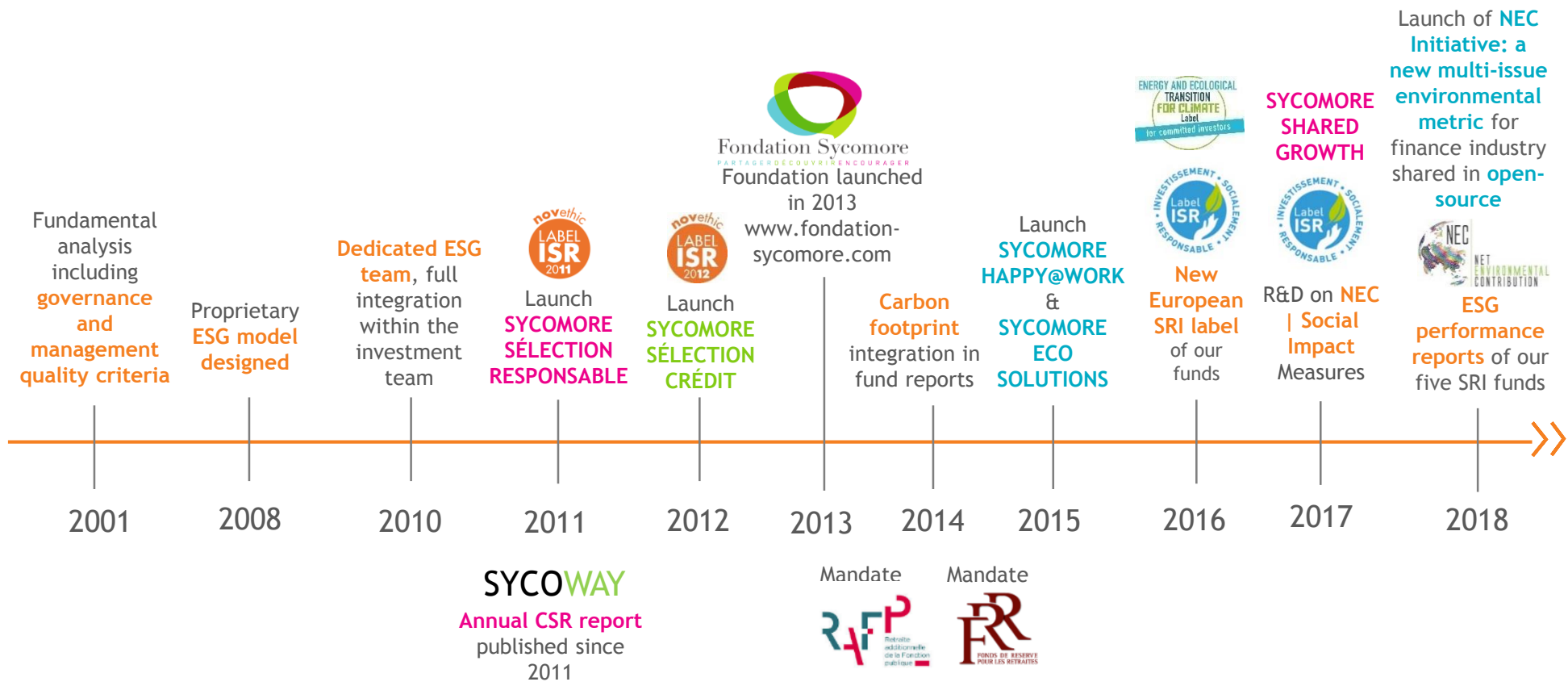
2016 SRI prize  
Investor Awards  
Sycomore AM  
Boursorama



2016 Best Reporting Mandates  
Agefi

# A continuous focus on responsible investing

An **active contribution** to responsible investing landmarks



# Research and investment team

## 21 Portfolio Managers / Analysts

EQUITY  
**LONG  
ONLY**



Cyril Charlot



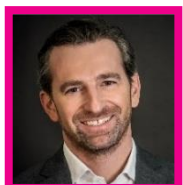
Emeric Préaubert



Arnaud d'Aligny



Frédéric Ponchon



Thomas Dhainaut



Edouard Poulle



Jessica Poon



Damien Mariette

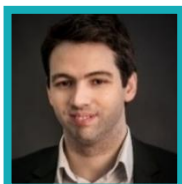
**SRI**  
SPECIALISTS



Bertille Knuckey



Jean-Guillaume Péladan



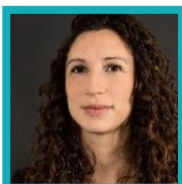
Alban Préaubert



Sara Carvalho



Anne-Claire Imperiale

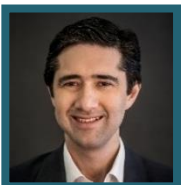


Anne-Claire Abadie



Sabrina Ritossa Fernandez

EQUITY  
**LONG  
SHORT**



Gilles Sitbon



Olivier Mollé



Hadrien Bulté



Stanislas de Bailliencourt



Emmanuel de Sinety

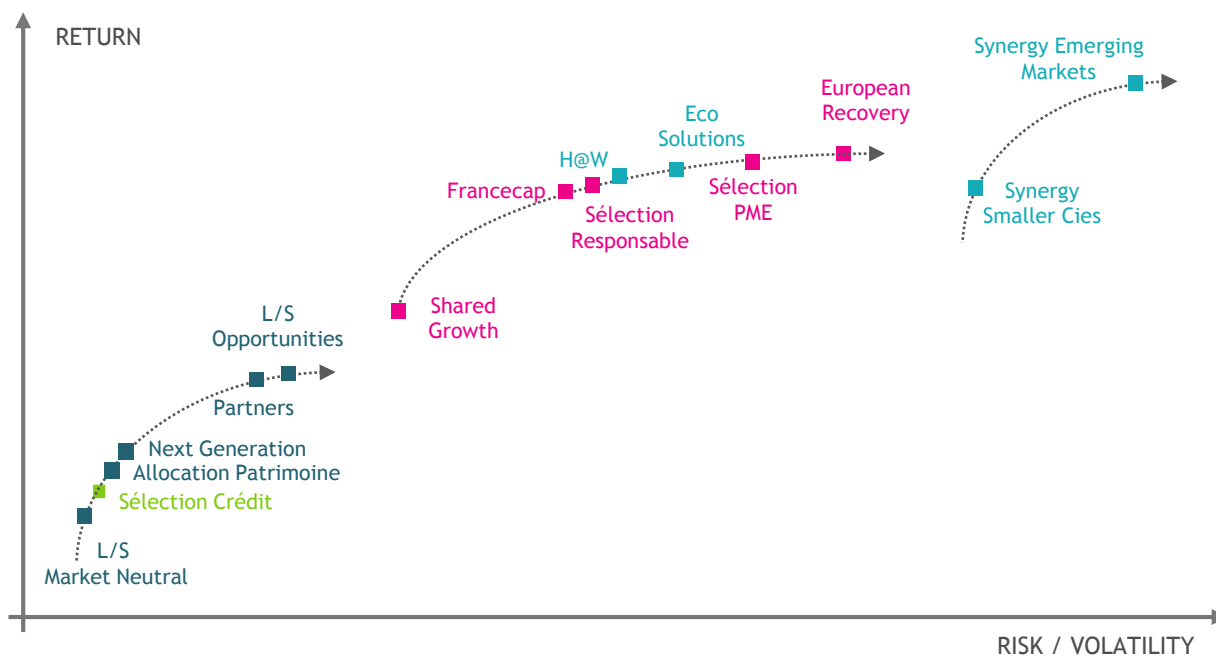


Alexandre Taïeb

**CROSS  
ASSETS**



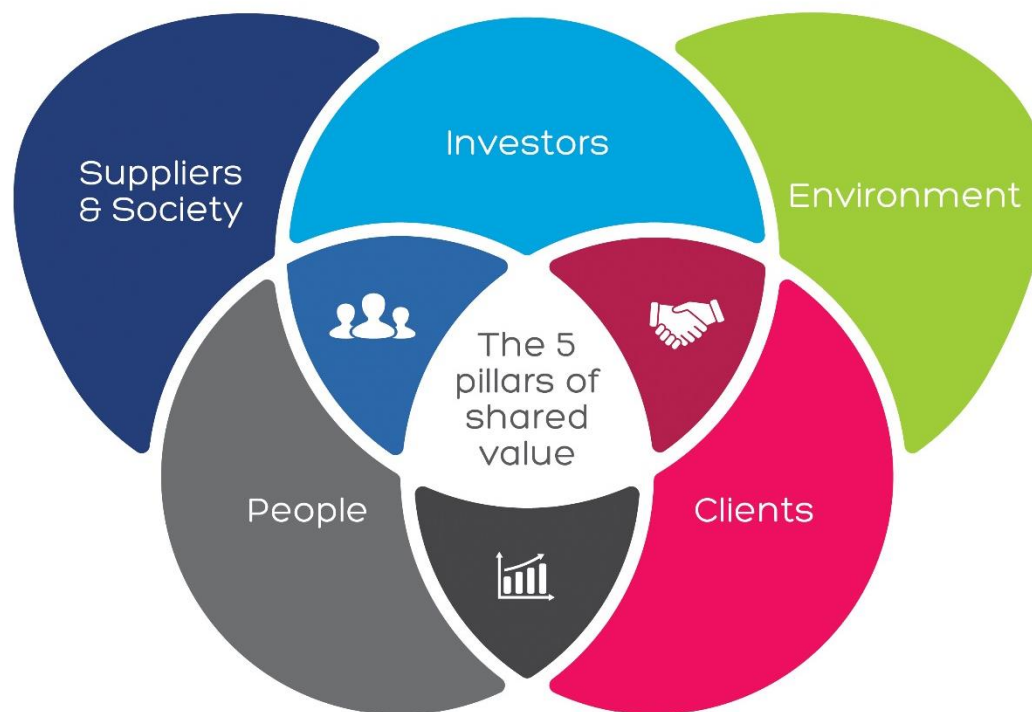
# A comprehensive and complementary fund range



Funds	AUM (€m)
<b>SUSTAINABLE equities</b>	
Sycomore Francecap	430
Sycomore Sélection Responsable	600
Sycomore European Recovery	29
Sycomore Sélection PME	60
<b>FLEXIBLE strategies</b>	
Sycomore Partners	708
Sycomore Allocation Patrimoine	590
Sycomore L/S Opportunities	498
Sycomore L/S Market Neutral	71
Sycomore Next Generation	100
<b>THEMATIC equities</b>	
Sycomore Happy@Work	319
Sycomore Eco Solutions	206
Sycomore Shared Growth	423
Synergy Smaller Cies	137
Synergy Emerging Markets	57
<b>CREDIT crossover SRI</b>	
Sycomore Sélection Crédit	477

# Our investment philosophy: **S P I C E**

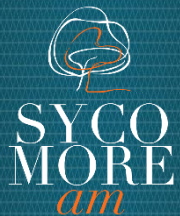
The **value creation** by a company is **sustainable** only if it is **shared** among all of its **stakeholders**



**[NEC]<sup>i</sup>**  
Empowering investors with an open-source environmental metric

5 pillars with **80 criteria**, analyzed from a **stakeholder impact perspective**

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# Sycomore Happy@Work: fund characteristics



Inception nov. 2015*	Universe Europe	Capitalisation All cap	Style Growth-biased	Net exposure. min. 75%
-------------------------	--------------------	---------------------------	------------------------	---------------------------

Benchmark  
Euro Stoxx TR\*\*

UCITS V  
Yes

PEA Eligibility  
Yes

Pricing  
Daily

Centralisation  
BNP Paribas Securities  
Services Lux. D-11 am

Cash settlement  
T+2

ISIN  
LU1301026206

Ticker Bloomberg  
SYCHAWI LX Equity

## Investment Strategy

- Sycomore Happy@Work invests in companies that consider **human capital to be a key performance driver**
- Stock selection is driven by **thorough fundamental analysis and ESG** (Environnement, Social and Governance) **research with a strong emphasis on social factors**. Findings from experts, human capital managers, employees and on-site visits are fed into our analysis

## OBJECTIVE

- Outperform **the Euro Stoxx TR\*\* on the horizon of 5 years.**

## ASSETS

- €319 M



Cyril Charlot  
*Founding Partner,  
Co-head of the  
investment team*



Jessica Poon  
*Senior Global  
Portfolio Manager*



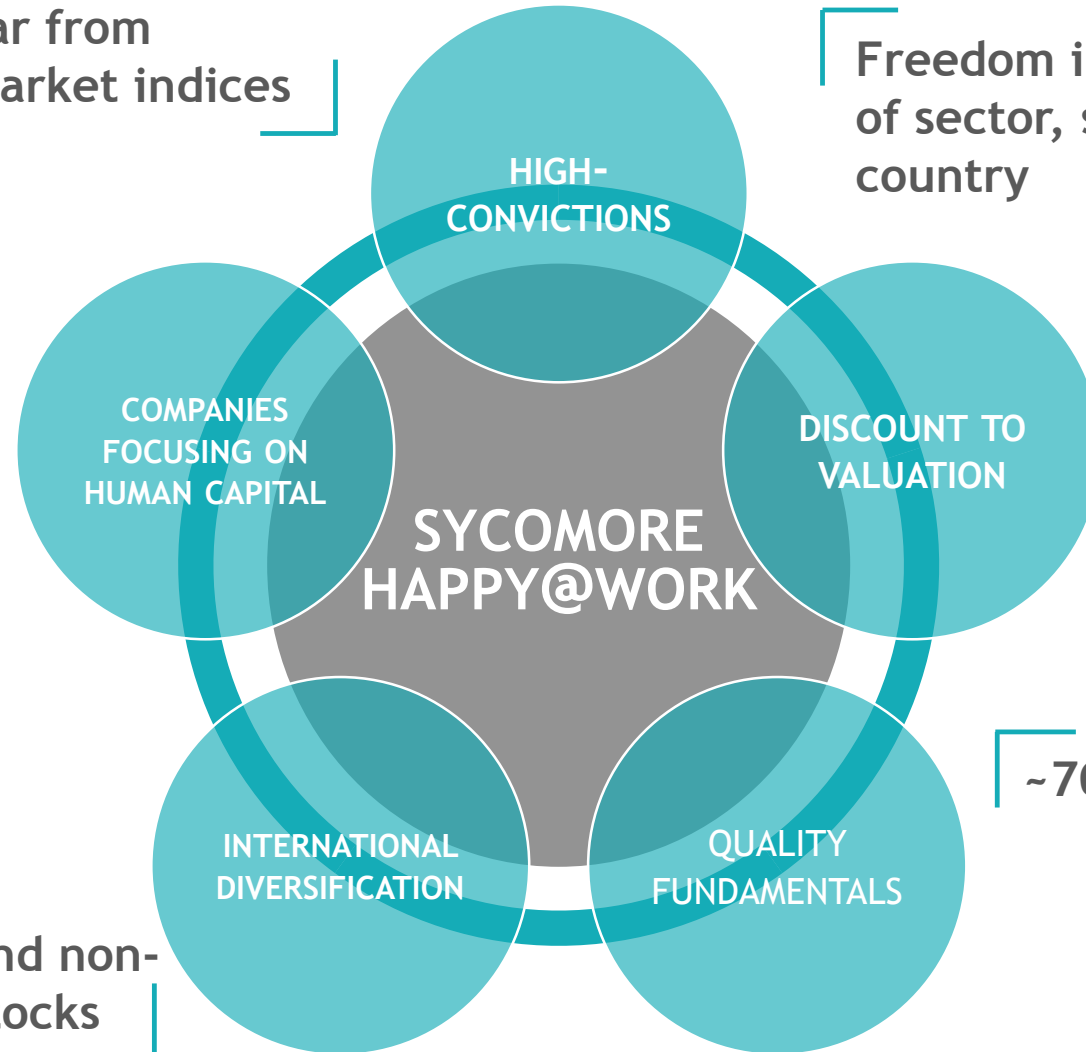
Sabrina Ritossa  
Fernandez  
*SRI Analyst*

# Happy@Work invests in companies focusing on human capital

FUND

Far from  
market indices

Freedom in terms  
of sector, size or  
country



~70 holdings

European and non-  
European stocks

# Investors overlook human capital factors in their analysis

ill-being: a cost  
for companies

happiness at work  
improves productivity

Employees' disengagement costs  
**\$450bn** per year to the  
American industry

Gallup, 2013

Stressed Eric

Burnt out Eric



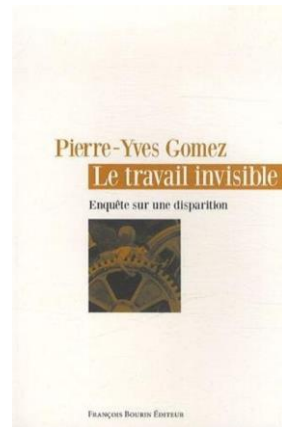
(Eric was too tired to pose for this cartoon, apologies)

©hills www.myburnoutthing.com

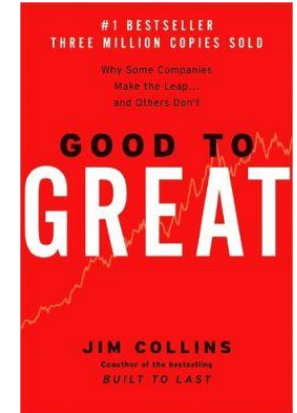


# Companies' long-term success is driven by human capital

Employee well-being is a key contributor to performance



« Le travail invisible »  
Pierre-Yves Gomez

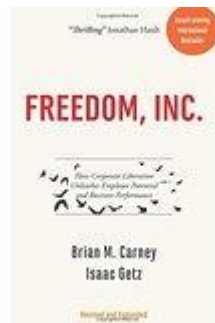


« Good to Great »  
Jim Collins



« Delivering  
Happiness »  
Tony Hsieh

« Employees First,  
Customers Second »  
Vineet Nayar



« Freedom INC. »  
Brian M. Carney  
Isaac Getz

# Invest in companies that care about happiness at work

## GREEN FLAGS

### ■ Costco



- 245K employees in 11 countries
- Strong human capital commitment coming from the top
- 3-year stock performance: 100%+

### ▶ Tiffany

TIFFANY & CO.

- 14.2K employees across four regions
- Commitment to diversity highlighting achievements every year
- 3-year stock performance: 69%+

## RED FLAGS

### ■ A European airline

- 19K aviation employees flying over 200 destinations
- No people-oriented mission from management
- 3-year stock performance: -4%

### ▶ A North American jewellery company

- 23K employees in three countries
- Historical culture of gender discrimination and harassment
- 3-year stock performance: -80%



# A case study: Mastercard

## Business & financial factors

Mastercard's network is deeply entrenched in the payment value chain

The market fails to fully appreciate Mastercard's growth opportunity in the next decade

It has substantial operating leverage and margin expansion opportunities

Regulatory and disruptive threats are manageable

A growth compounder with sustainable advantages and high returns on invested capital



## Human capital factors

The culture of empowerment comes from the top and triggers down to all levels; the CEO is accessible while everyone can take initiatives

"Diversity as a priority" is supported by a global diversity and inclusion council led by the CEO and a dedicated Chief Inclusion Officer

Managers receive extensive training on managerial and coaching skills so they can effectively engage their teams

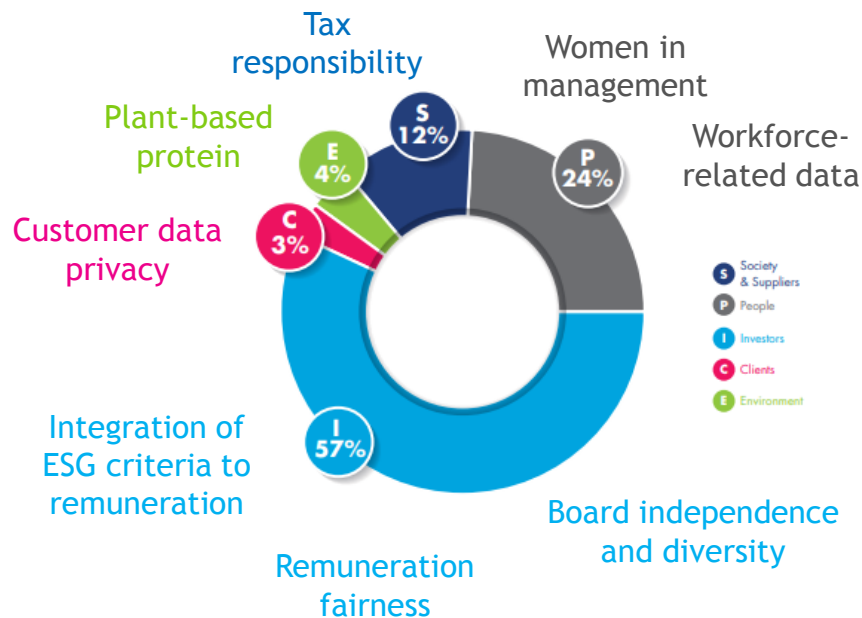
70% of the management positions are filled by internal promotions

A collegial and fun work environment based on our site visits and expert discussions

**A Happy@Work stock that has generated 51% returns in 2019**

# Dialogue and shareholder engagement

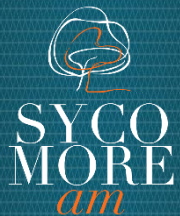
*Our objective: encourage companies to improve their ESG practices through constructive, long-term dialogue*



- **232** engagement requests shared with **113** companies in 2018
- Participated in **10 collaborative engagement campaigns** since 2018\*
- After two years, progress witnessed on **27%** of engagement requests initially communicated in 2016

\* Human Capital Management Coalition, PRI-coordinated engagement on tax responsibility, Workforce Disclosure Initiative, FAIRR-coordinated engagement on sustainable protein supply chains, IAHR-coordinated engagement on digital rights, ICCR-coordinated engagement on lobbying practices in the food and beverage industry, Shareholder resolution co-filing at EssilorLuxottica 2019 AGM, Investor statement on forced labour issues in apparel and footwear industry, Investor statement to support the UN Women's Empowerment Principles, Collaborative statement for the recognition of mission-lead companies in the PACTE law

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# How do we define Happy@Work?

## 5 KEY PILLARS FROM A PERSONAL PERSPECTIVE

- What are your company's mission and values?
- % of employees who have an annual review

- Do we ask for your opinion? Is it taken into account?
- Decision-making process



- Are you rewarded when the company performs well?
- % of employee shareholding

- Do you have access to training?
- % of hire by internal promotion

- Are you happy to go to work?
- Turnover rate (%)

# Our research axes: 3 complementary areas

## RISKS AND OPPORTUNITIES AT ORGANIZATIONAL AND INDIVIDUAL LEVELS

**PEOPLE**
Maj le 31/08/16 à 16:36:20 par Alban PREAUBERT
✓
4.1

INTEGRATION DES ENJEUX HUMAINS (25%) 3.8

1

identify whether human capital is a strategic priority

AVIS DES SALARIES & ENQUETES (25%) : 4.5

3

check the information provided by the company

2

assess resources deployed by the company to improve well-being and engagement at work

**Répartition des effectifs** Effectifs ETP 2015 : 111700

Géographique	%	Métier	%	Type de contrat	%
▶ Afrique/Inde et Mo	1.6%	▶ Employés, technici	30.3%	▶ CDD	4.0%
Amérique du Nord	20.0%	Encadrement	8.2%	CDI	96.0%
Amérique du Sud	6.0%	Opérateurs	61.5%	*	
	<b>99.6%</b>		<b>100.0%</b>		<b>100.0%</b>

Indicateurs transversaux	2013	2014	2015	Secteur [2015]	Flag	Commentaire
Absentéisme [%]	5.4	5.3	5.4	NA		En 2015, toujours pas de taux d'absentéisme global mais suivi du taux pour les
Efficacité (M [devise] / ETP)		0.174	0.189	NA		La productivité connaît une volatilité sur 5 ans, avec un plus haut en 2012 (189
Turnover [%]	5.6	5.5	5.9	NA		Taux d'attrition 2015 (hors retraite): 5.9%. En légère hausse depuis 2012

# Our research axes: 3 complementary areas

## RISKS AND OPPORTUNITIES AT ORGANIZATIONAL AND INDIVIDUAL LEVELS

**PEOPLE**
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✓
4.1
□

**INTEGRATION DES ENJEUX HUMAINS (25%)** 3.8

Vision des dirigeants Niveau d'intégration des enjeux RH 3.8

Gestion de la croissance & des crises Mix de croissance 3.8

Santé & sécurité : Résultats sur la sécurité plaçant Michelin com 3.8

**AVIS DES SALARIES & ENQUETES (25%) :** 4.5

Enquête de satisfaction de la société (33%) 2017 (BK) : L'engag 4.5

Visite de terrain par Sycomore (33%) NA

Avis externes (33%) En France (2015) : l'étude Capital/ Statistica 4.5

**Répartition des effectifs** Effectifs ETP 2015 : 111700

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	<b>99.6%</b>		<b>100.0%</b>		<b>100.0%</b>

**ENVIRONNEMENT HAPPY@WORK (50%) :** 4.0

Sens : 4.0

Mission & co-détermination "Offrir à chacun une meilleure façon d'avancer"

Appropriation Culture & valeurs Entreprise très paternaliste et à la culture

Autonomie : 4.0

Subsidiarité & Gouvernance participative Simplicité des axes matriciels : 5

Responsabilisation : 2016 (CB) : - Lancement des organisations responsabi

Compétences : 4.0

Formation Investissements significatifs en formation: Ainsi, le taux d'accès

Evolution interne Michelin privilégie largement la promotion interne. À fin 2

Relations : 4.0

Climat & reconnaissance 2016 (CB) : - Aversion historique aux syndicalism

Equilibre vie privée / professionnelle Michelin s'efforce de développer dan

Equité : 4.0

Association aux résultats & écarts salariaux Un grand nombre d'employés

Diversité : Gouvernance et culture fortes autour de la diversité. 4 axes priori

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# Traditional quantitative indicators...



1. Conduct “cluster” quantitative analysis
2. Tie up qualitative and quantitative factors
3. Monitor trends
4. Make sector comparisons where relevant

- Number of managerial layers

- Training (hours/employee/year)
- % of employees offered training
- % payroll dedicated to training

- % employee shareholding
- % employee access to capital

- % female in top management vs. workforce
- % disabled employees

**HAPPY@WORK ENVIRONMENT (50%) :** 4.0

**Sense** ■

Mission & co-détermination : "Offrir à chacun une meilleure façon d'avancer"

Appropriation Culture & valeurs : Entreprise très paternaliste et à la culture

**Autonomy :** ■

Subsidiarité & Gouvernance participative : Simplicité des axes matriciels : 5

Empowerment : 2016 (CB) : - Lancement des organisations responsabi:

**Competence :** ■

Training : Formation : Investissements significatifs en formation: Ainsi, le ti

Internal promotior Formation : Investissements significatifs en formation: Air

**Working re** ■

Climat & reconnaissance : CLIMAT :

Work-life balance : Michelin s'efforce de développer dans

**Fairnes:** ■

Profit sharing & wage disparity : Un grand nombre d'employés

Diversity : Gouvernance et culture fortes autour de la diversité. 4 axes priorit

- Average age
- % of hires by internal promotion

- % employees covered by collective agreement
- Strikes (controversies)

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Turnover (%)	5.5	5.9		NA	■	

... substantiated by fieldwork

# FIELDWORK OBSERVATIONS AND 6 QUESTIONS

## AIMED AT UNDERSTANDING EMPLOYEES' FEELINGS

Is your dedication awarded when the company performs well?

Are you asked for your opinion and is it taken into account?

Do you have easy access to training

Are you happy to go to work?

What are your company's values?

Bonus: Would you recommend your company to your close relatives or children?

**ENVIRONNEMENT HAPPY@WORK (50%) :** 4.0

**Sens :**

Mission & co-détermination "Offrir à chacun une meilleure façon d'avancer"  
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Association aux résultats & écarts salariaux Un grand nombre d'employés  
 Diversité : Gouvernance et culture fortes autour de la diversité. 4 axes priori

Autonomy

Social climate

**INTEGRATION DES ENJEUX HUMAINS (25%)** 3.8

**Vision des dirigeants :** Niveau d'intégration des enjeux RH

**Gestion de la croissance & des crises :** Mix de croissance

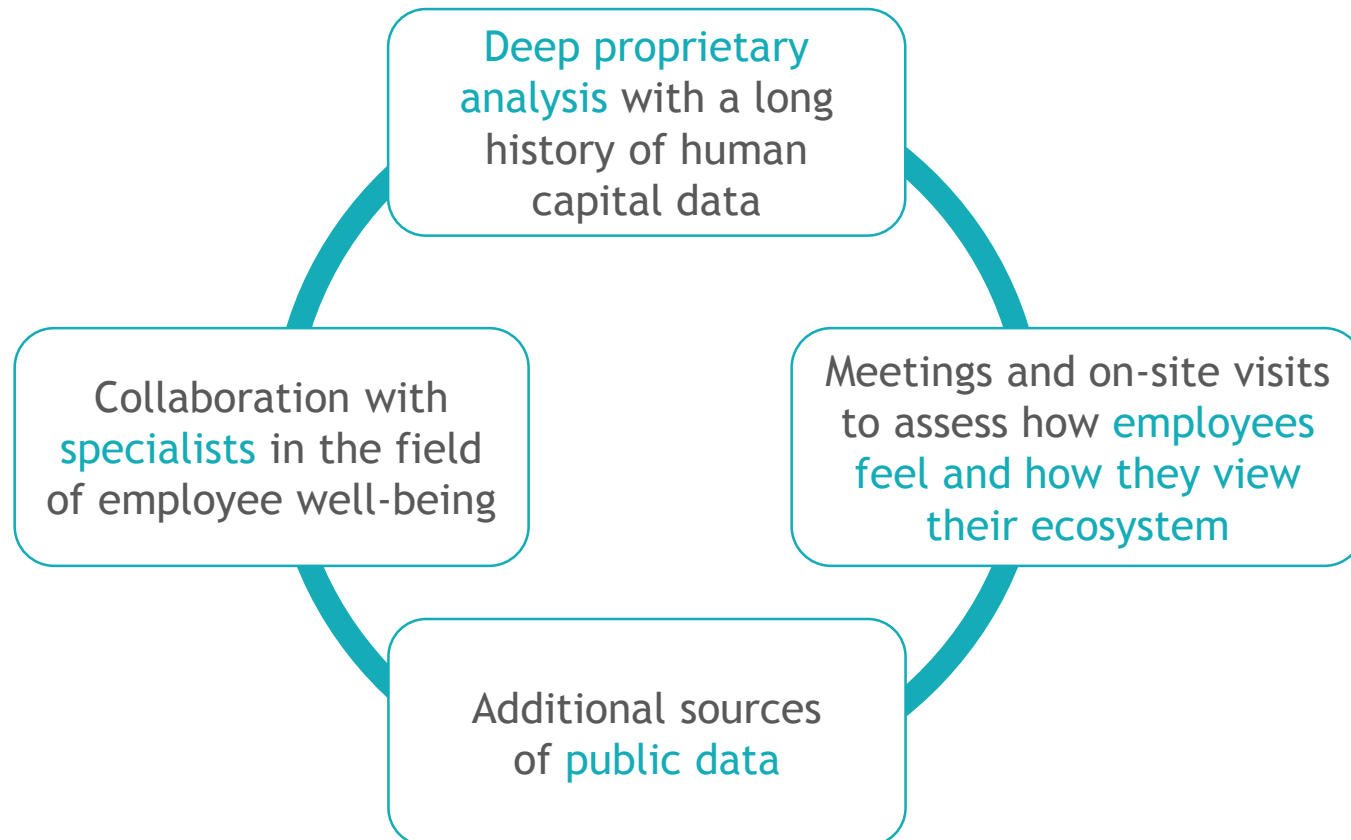
**Santé & sécurité :** Résultats sur la sécurité plaçant Michelin com

Safety, ergonomic

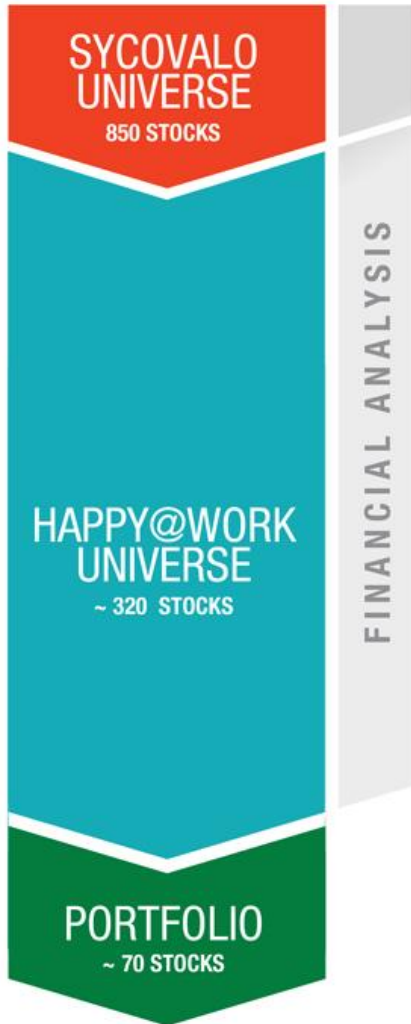


# Our sources of information

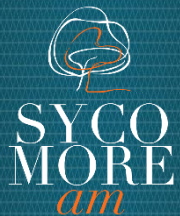
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# A thorough investment process



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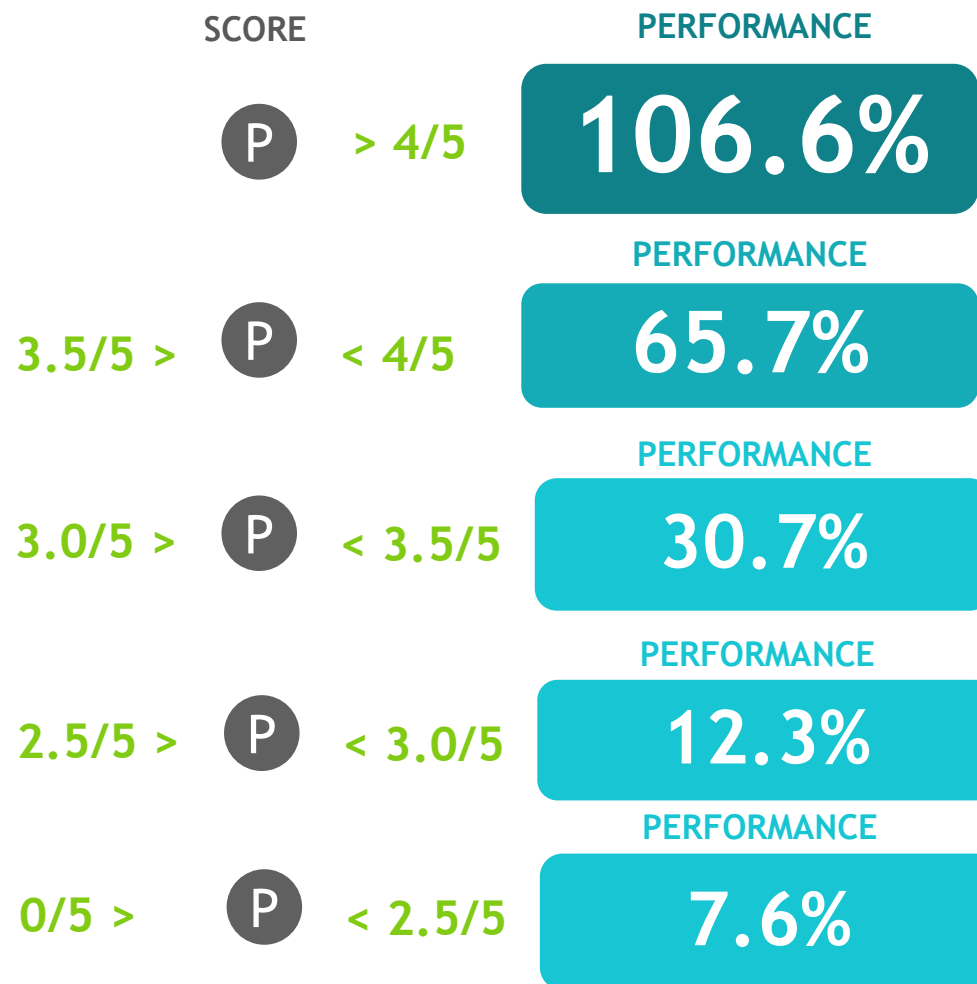
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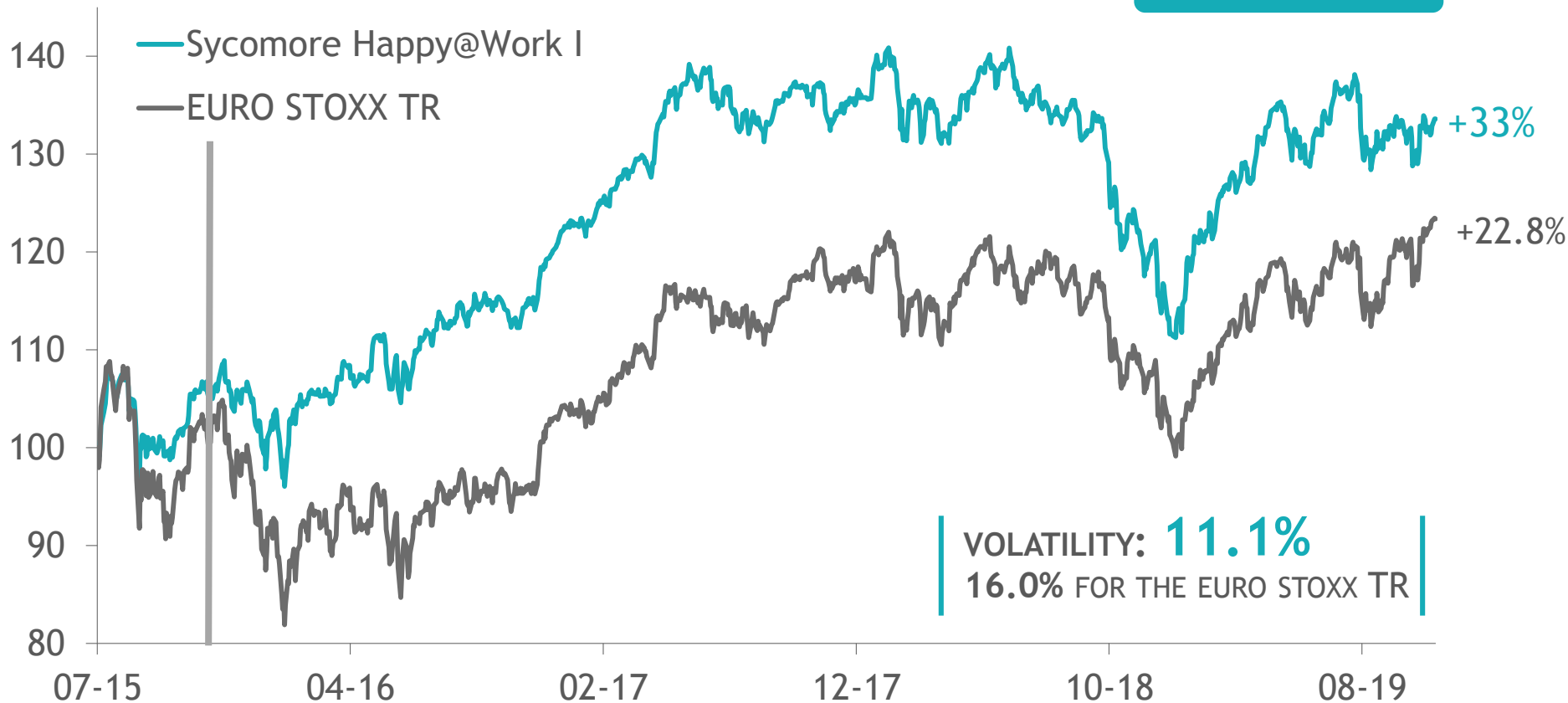
# The link between « P score » and « performance »

Since inception: July 6, 2015



# Performance since inception (06.07.2015)

**AUM: €319 M**



Data as of 31/10/2019	2019	1Y	3Y	5Y	Inception 06/07/2015	Inception annualised	2018	2017	2016
Sycomore Happy@Work I*	16.4%	8.0%	16.7%	-	33.0%	6.8%	-15.7%	11.8%	14.4%
Euro Stoxx TR	21.2%	13.0%	27.0%	-	22.8%	4.9%	-12.7%	12.6%	4.1%

Data as of 31.10.2019, I share. Past performance is not a reliable indicator of future returns.\*The performance shown prior to the 4/11/2015 is the track record of an identical French-domiciled fund that was liquidated on that day; its assets were transferred to the Luxembourg fund. TR: Reinvested dividends.

# Performance in 2019



# Performance attribution

## Main positive contributions - 2019

	Performance	Contribution
SPIE	67.0%	1.4%
Schneider E.	42.5%	1.4%
Soitec	95.0%	1.1%
MasterCard	51.0%	0.9%
Adidas	53.3%	0.9%

## Main negative contributions - 2019

	Performance	Contribution
Boiron	-33.2%	-0.5%
Devoteam	-7.3%	-0.4%
Maisons du Monde	-24.7%	-0.3%
Aumann AG	-48.6%	-0.2%
EssilorLuxottica	-12.2%	-0.1%

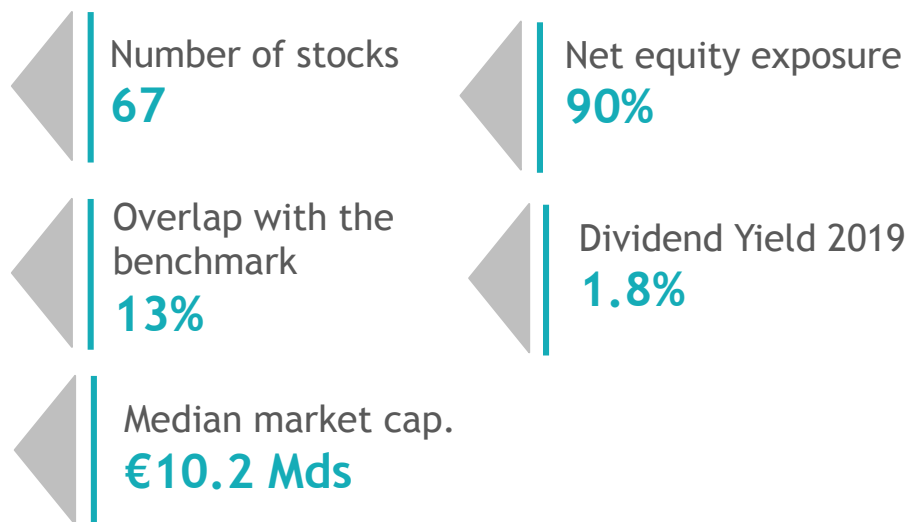
## Main positive contributions - 2018

Brunello C.	12.0%	0.5%
Scor	21.5%	0.4%
Adidas	10.2%	0.4%
salesforce.com	40.7%	0.2%
Costco Wholesale	28.4%	0.2%

## Main negative contributions - 2018

SPIE	-45.3%	-1.2%
Maisons du Monde	-55.3%	-1.2%
Sopra Steria	-47.7%	-1.0%
Wessanen	-53.2%	-0.9%
Valeo	-48.3%	-0.8%

# Portfolio positioning



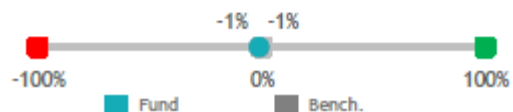
10 MAIN HOLDINGS			
	Weight	Market Cap (€)	People
Schneider E.	4.0%	45.76 Bn	4
Air Liquide	3.7%	55.94 Bn	4
Technogym	3.4%	1.99 Bn	4.4
SAP	3.4%	141.80 Bn	4.2
Amadeus IT	3.1%	28.59 Bn	3.6
Salesforce.com	3.1%	109.41 Bn	3.7
ADMIRAL	2.9%	6.82 Bn	4.1
SPIE	2.6%	2.94 Bn	3.6
TD Bank	2.5%	93.31 Bn	3.4
Danone	2.3%	48.21 Bn	3.7

## ESG FOOTPRINT

	Fund	Bench.
ESG	3.5	3.2
Environment	3.3	3.1
Social	3.6	3.2
Governance	3.7	3.4

Carbon footprint**	89	334
<small>in t eq. CO<sub>2</sub>/year/€m invested</small>		

### Net Environmental Contribution



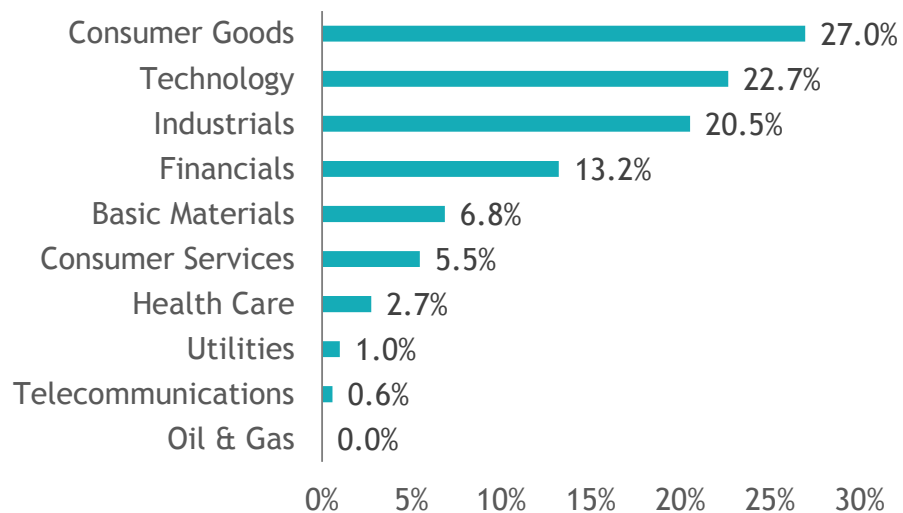
NEC - Net Environmental Contribution® measures the extent which business models are aligned with the energy and ironmental transition and with the targets set in relation to ate change.

TOP 20  
**51%**

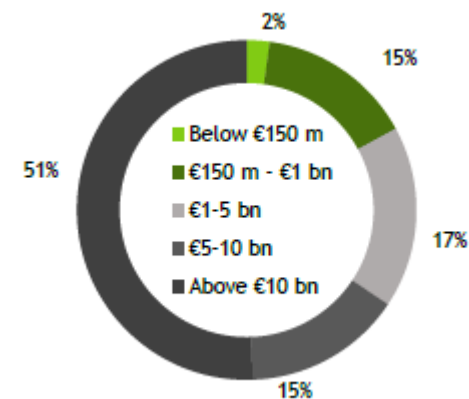


# Portfolio positioning

Breakdown by sector  
as of 31.10.2019



Breakdown by market cap  
as of 31.10.2019



# Our meetings in figures

In 2018, for Happy@Work and its investment universe, we conducted

30+

one-on-one meetings  
exclusively or strongly focused  
on human capital

50~

on-site visits  
focused on human capital  
management and working conditions

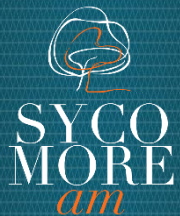
10~

meetings with experts  
exclusively focused on human capital  
with former HR directors

50~

engagement discussions  
in order to enhance HR practices  
within 40 companies

HU  
MAN  
*is* CA  
PI  
TAL



# Sycomore Happy@Work

## A fund focusing on human capital

Sycomore AM

What is Happy@Work and why do we care?

How do we define Happy@Work?

Portfolio and performance

Appendix

# 2019 performance attribution | by sector

YTD PERFORMANCE ATTRIBUTION - by sector - from 31-DEC-2018 to 31-OCT-2019

SECTORS	Sycomore Happy@Work			Euro Stoxx			Attribution			
	Average Weight	Return	Contribution	Average Weight	Return	Contribution	Avg Active Weight	Stock Selection	Sector Allocation	Total Attribution
Basic Materials	6.3%	33.80%	2.03%	9.7%	21.29%	2.12%	-3.4%	0.37%	0.00%	0.37%
Consumer Goods	22.5%	18.83%	3.92%	18.4%	24.24%	4.33%	4.2%	-1.04%	-0.19%	-1.23%
Consumer Services	8.5%	-3.36%	0.67%	5.6%	15.65%	0.92%	2.9%	-0.94%	-0.17%	-1.10%
Financials	10.4%	30.85%	2.52%	19.5%	15.59%	3.16%	-9.1%	1.19%	0.45%	1.65%
Health Care	3.1%	-15.39%	-0.34%	5.9%	17.73%	1.05%	-2.9%	-0.93%	0.07%	-0.86%
Holdings	0.0%	0.00%	0.00%	0.0%	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%
Industrials	19.3%	26.24%	5.17%	17.6%	27.92%	4.68%	1.8%	-0.26%	0.19%	-0.07%
Oil & Gas	0.0%	0.00%	0.00%	5.5%	8.10%	0.56%	-5.5%	0.00%	0.60%	0.60%
Technology	16.5%	24.71%	3.20%	7.9%	34.19%	2.47%	8.6%	-1.55%	0.92%	-0.63%
Telecommunications	0.6%	2.94%	0.05%	3.6%	8.34%	0.31%	-3.0%	-0.03%	0.40%	0.38%
Utilities	1.3%	26.10%	0.36%	6.3%	25.66%	1.61%	-5.0%	-0.01%	-0.16%	-0.17%
<b>Total Equity</b>	<b>88.6%</b>		<b>17.59%</b>			<b>21.21%</b>		<b>-3.18%</b>	<b>2.11%</b>	<b>-1.07%</b>
<b>Cash</b>	<b>11.4%</b>		<b>-0.25%</b>						<b>-2.75%</b>	<b>-2.80%</b>
<b>Others</b>	<b>0.0%</b>		<b>0.00%</b>						<b>0.00%</b>	<b>0.00%</b>
<b>Total Attribution</b>			<b>17.34%</b>			<b>21.21%</b>		<b>-3.24%</b>	<b>-0.63%</b>	<b>-3.87%</b>
<b>Net performance</b>			<b>16.40%</b>			<b>21.21%</b>				<b>-4.81%</b>

# 2019 performance attribution | by contributor

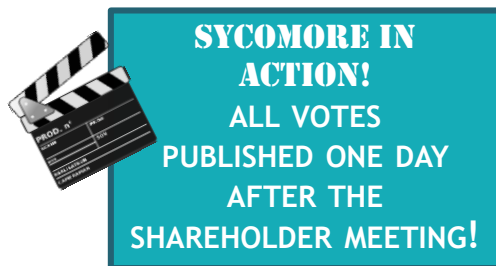
YTD PERFORMANCE ATTRIBUTION - main contributors - from 31-DEC-2018 to 31-OCT-2019

STOCKS	Sycomore Happy@Work			Euro Stoxx			Total Attribution
	Average Weight	Return	Contribution	Average Weight	Return	Contribution	
SPIE	2.6%	67.0%	1.4%	0.0%	67.0%	0.0%	0.8%
Schneider E.	3.5%	42.5%	1.4%	1.0%	42.5%	0.4%	0.5%
Soitec	1.6%	95.0%	1.1%	-	-	-	0.8%
MasterCard	2.1%	50.9%	0.9%	-	-	-	0.5%
Sopra Steria	2.2%	54.3%	0.9%	0.0%	54.3%	0.0%	0.5%
Adidas	2.0%	53.3%	0.9%	1.1%	53.3%	0.5%	0.2%
Air Liquide	2.8%	22.7%	0.6%	1.2%	22.7%	0.3%	0.0%
Eiffage	2.0%	34.5%	0.6%	0.2%	34.5%	0.1%	0.2%
AXA	1.3%	31.1%	0.6%	1.1%	30.8%	0.3%	0.1%
Danone	3.3%	23.2%	0.6%	1.1%	23.2%	0.3%	-0.2%
Mediawan	1.1%	-12.9%	-0.1%	-	-	-	-0.3%
Brunello C.	1.3%	-5.9%	-0.1%	-	-	-	-0.3%
Campari Group	0.8%	-10.7%	-0.1%	0.1%	11.7%	0.0%	-0.2%
Ubisoft	1.3%	-24.9%	-0.1%	0.1%	-24.9%	0.0%	-0.4%
2CRSI	0.2%	-51.1%	-0.1%	-	-	-	-0.2%
EssilorLuxottica	0.4%	-12.2%	-0.1%	0.8%	25.5%	0.2%	-0.3%
Aumann AG	0.2%	-48.6%	-0.2%	-	-	-	-0.3%
Maisons du Monde	1.7%	-24.7%	-0.3%	-	-	-	-0.6%
Devoteam	1.9%	-7.3%	-0.4%	-	-	-	-0.6%
Boiron	1.3%	-33.2%	-0.5%	-	-	-	-0.8%
Cash & Others	11.4%		-0.3%	-	-	-	-2.8%
<b>Net performance</b>			<b>16.4%</b>			<b>21.2%</b>	<b>-4.8%</b>

# Active and transparent voting policy

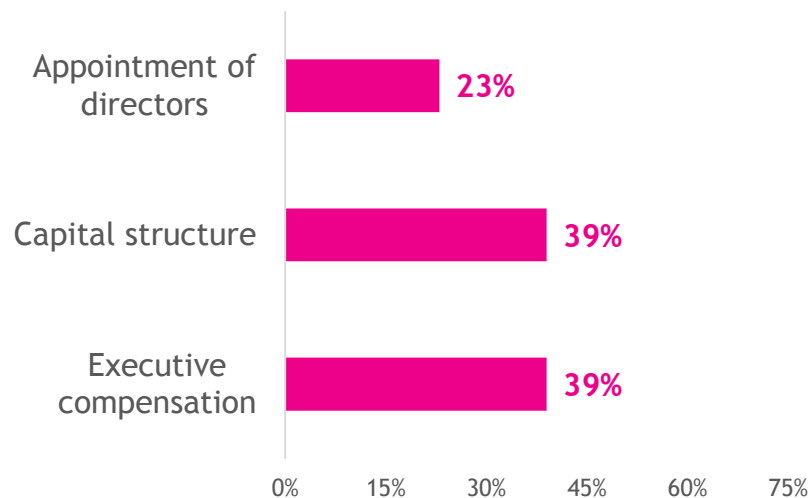
In **2018**

- Voted **422 meetings** i.e. **98%** of our voting rights\*
- Voted **AGAINST** at least one proposal in **81%** of meetings
- Voted **AGAINST 23%** of management proposals
- Pre-AGM dialogue with **80** companies and **130** engagement asks

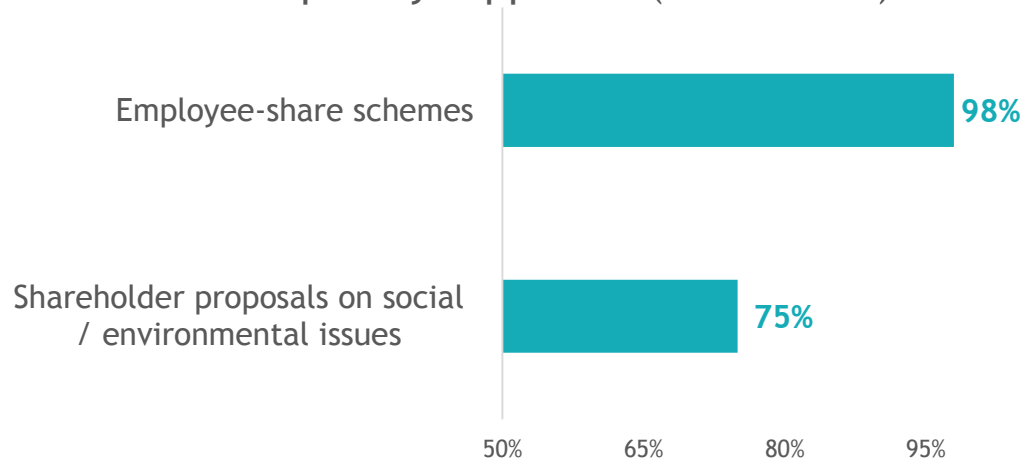


Types of resolutions...

... we frequently challenged (% vote **AGAINST**)



... we frequently supported (% vote **FOR**)



Sycomore AM's voting statistics as of 31.12.2018.

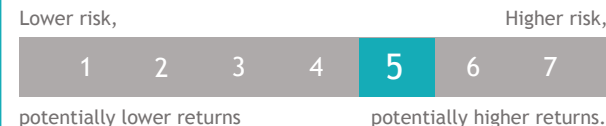
\* Reasons for not exercising voting rights: share blocking requirements, stocks sold prior to AGM, technical dysfunction  
Percentage based on the volume of voting rights owned

# Sycomore Happy@Work | fund characteristics

- **Fund managers:** Cyril Charlot, Jessica Poon and Sabrina Ritossa Fernandez
- **ISIN code (I share):** LU1301026206
- **Domiciliation:** Luxembourg - Sub-fund of Sycomore Fund Sicav
- **UCITS V**
- **Inception date:** 04/11/2015
- Daily pricing & liquidity, Cut off on D before 11am (BPSS)
- Subscription/redemption on T, on NAV T+1, settlement T+2
- **No minimum subscription**
- Management and outperformance fees
  - **I share:** 1.00%
  - **Outperformance fees:** 20% VAT above the benchmark Euro Stoxx TR with positive performance
- Subscription/redemption
  - **Max subscription fee** (not credited to the fund): 7% I share
  - **Max redemption fee** (not credited to the fund): None
- Turnover commission
  - **No commission** charged by Sycomore AM

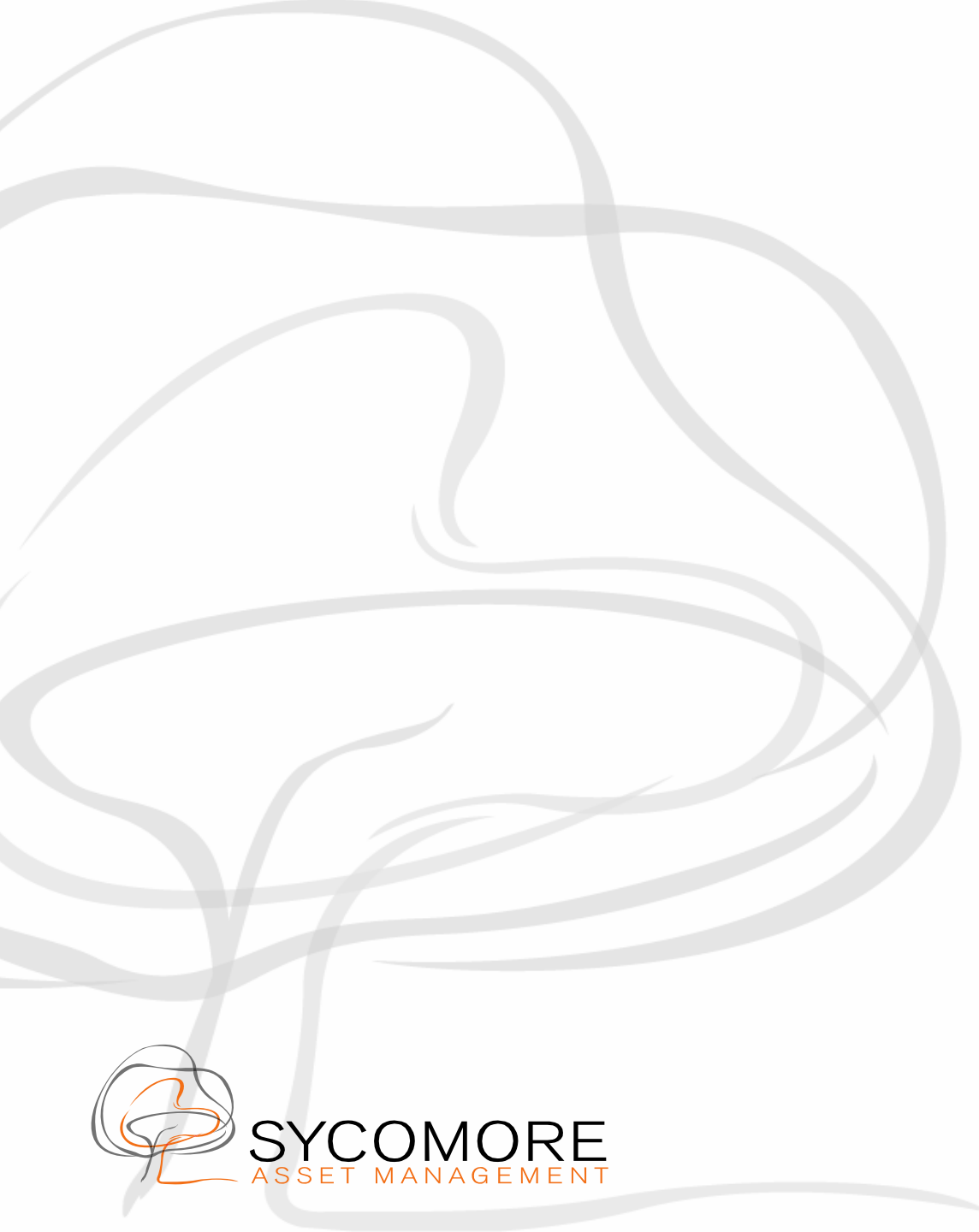
# Sycomore Happy@Work | fund risk profile

Synthetic risk and reward  
indicator



- Capital risk: the investor is warned that the principal invested may not be entirely recovered.
- Equity risk: due to an equity exposure to European Union equities ranging from 60% to 100% of the AuM. Investors should bear in mind that the equity markets are particularly risky, that they can be subject to periods of low prices spanning several years that generate severe capital losses for investors. In case of market drop, the net asset value may lower. Moreover, it is likely that some holdings in portfolio experience a period of strong decrease while the equity markets rise. If the price of one or more stocks in portfolio decrease, the net asset value may lower, independently from the market trend.
- Liquidity risks: due to the shallowness of markets in which the Fund may be required to process buy or sell orders.
- Interest rate risk: up to 25% of the Sub-fund's assets are exposed to fixed income instruments, generating an interest rate risk. It represents the possible risk that interest rates fall if investments are made at a variable rate or that interest rates increase if investments are made at a fixed rate, the value of an interest rate product being an inverse function of the level of interest rates. In case of unfavourable variation of interest rates the net asset value may fall.
- Credit risk: up to 25% of the Sub-fund's assets are exposed to fixed income instruments and deposits, generating credit risk. It represents the possible risk of deterioration of the issuer's signature or failure, and this will have a negative impact on the price of debt securities issued by it or on the reimbursement of the deposits and therefore the Sub-fund's net asset value, resulting in a capital loss. The level of credit risk is variable depending upon expectations, maturities and the degree of confidence in each issuer, which may reduce the liquidity of the securities of an issuer and have a negative impact on the net asset value, particularly in the case of liquidation by the Sub-fund of its positions in a market with reduced transaction volumes.
- Risk related to the discretionary management: the management team can, in the indicated limits, freely allocate the Sub-fund's AuM between the different asset classes, implying that the Sub-fund can not be invested in the most performing markets at all time. In this case, the net asset value could lower.
- Counterparty risk: is the risk of failure of a counterparty leading to a payment default. The Sub-fund may be exposed to counterparty risk resulting from the use of financial contracts traded over the counter with a credit establishment. The Sub-fund is therefore exposed to the risk that one of these credit establishments cannot honour its commitments under such transactions, resulting then in a fall of the net asset value.





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