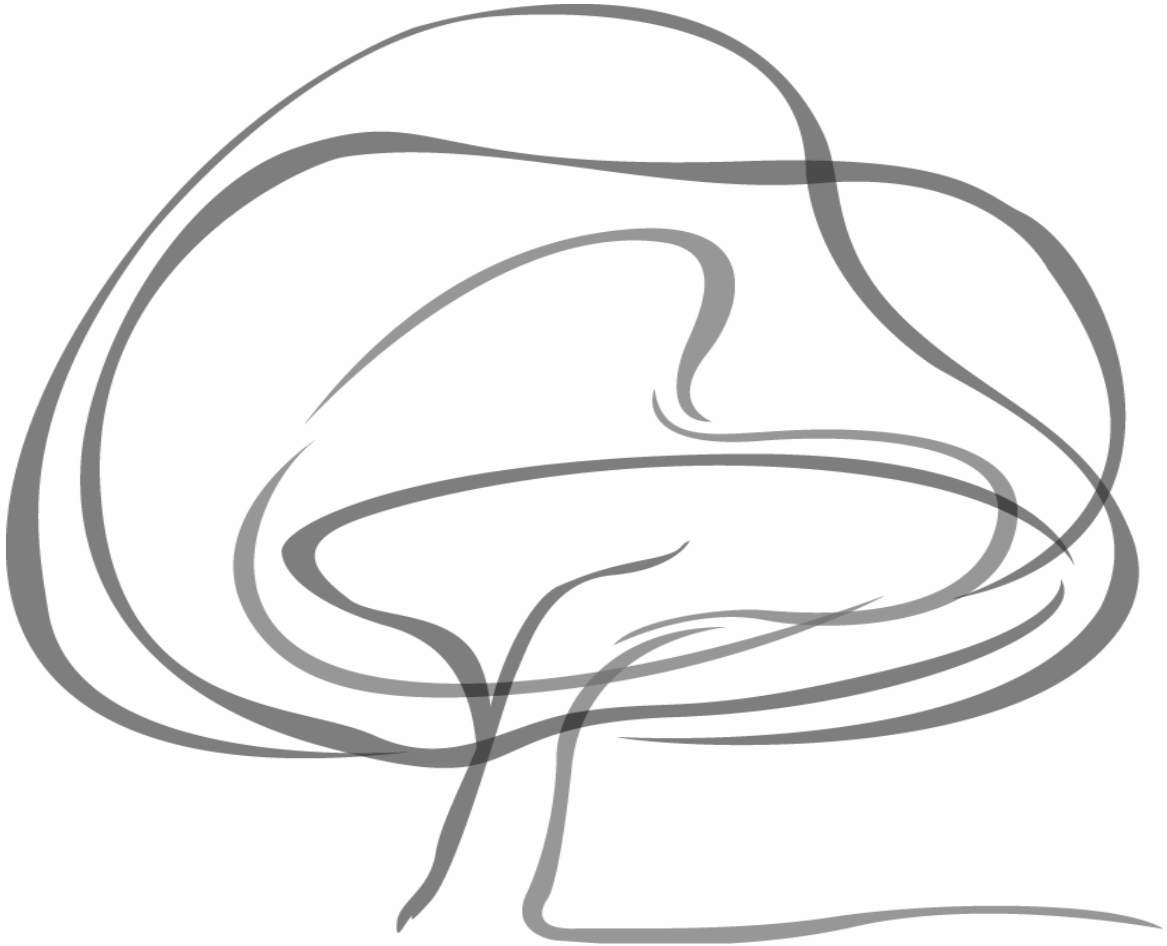


# SYCOMORE SELECTION CREDIT



## Prospectus

15/11/2023

UCITS under European Directive 2009/65/EC

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# 1. GENERAL CHARACTERISTICS

## 1.1 UCITS features

French Fonds Commun de Placement (FCP)

## 1.2 Name

Sycamore Sélection Crédit

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

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

## 1.4 Inception date and expected term

The Fund was created on 1 September 2012 for a duration of 99 years from that date.

## 1.5 Fund overview

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Subscription rate	Operational and management charges
I	FR0011288489	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'Professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and open to all types of institutional investors, where appropriate in the framework of discretionary portfolio management and/or investment advice on an independent basis under Directive 2014/65/CE, for which providers of these services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the Fund marketing agent (' <i>clean share</i> ' units).	7% Maximum rate	0.60% Maximum per annum including taxes
ID	FR0011288505	Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the Fund marketing agent (' <i>clean share</i> ' units).	7% Maximum rate	0.60% Maximum per annum including taxes
R	FR0011288513	Accumulation	EUR	All	3% Maximum rate	1.20% Maximum per annum including taxes
R USD	FR0012950574	Accumulation	USD	All	3% Maximum rate	1.20% Maximum per annum including taxes

X	FR0011288539	Accumulation	EUR	All investors, especially UCITS managed by SYCOMORE AM or by its subsidiaries	10% Maximum rate	0.60% Maximum per annum including taxes
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Unit Class	Minimum subscription
I	None
ID	None
R	None
R USD	None
X	None

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

The latest annual and interim reports will be sent within one week upon written request by a unit holder to:

Sycomore Asset Management, SA  
 14, avenue Hoche  
 75008 Paris, France  
 Tel: +33 (0)1 44 40 16 00  
 Email: [info@sycomore-am.com](mailto:info@sycomore-am.com)

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

## 2. STAKEHOLDERS

### 2.1 Management Company

Sycamore Asset Management, SA. Approved by the AMF as a French Portfolio Management Company (Société de Gestion de Portefeuille) under no. GP 01-030 with registered office located at 14, Avenue Hoche, 75008 Paris, France.

### 2.2 Depositary and custodian

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

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

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

The primary objective of the Depositary is to protect the interests of unitholders/investors in the UCITS, which shall always take precedence over its own commercial interests.

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

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

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either by:
  - using the permanent measures implemented in order to manage conflicts of interest, such as the segregation of duties, the split between the functional and hierarchical reporting lines, the monitoring of internal insider lists, and dedicated IT environments
  - Implementing on a case-by-case basis
- Appropriate preventive measures, such as the creation of ad hoc monitoring, new "Chinese walls", or checking that

transactions are processed in an appropriate way and/or informing the relevant clients

- Or refusing to manage the activities that could give rise to conflicts of interest.

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

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

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

### 2.3 Delegated institution in charge of centralising subscription and redemption orders

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

For registered shares to be registered or registered in the shared electronic registration facility:

**IZNES SAS.** Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR), on 22 June 2020, whose registered office is at 18, Boulevard Malesherbes, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 832 488 415.

For all other units:

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

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

## 2.4 Fund unit registrar

For bearer/administered registered units to be registered or registered with Euroclear:

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

For pure registered shares to be registered or registered as part of the shared electronic registration system:

**IZNES SAS.** Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR), on 22 June 2020, whose registered office is at 18, Boulevard Malesherbes, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 832 488 415.

## 2.5 Statutory Auditor

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

## 2.6 Marketing Agents

Sycomore Asset Management and its subsidiaries. The list of marketing agents is not exhaustive mainly due to the fact that the UCITS is listed on Euroclear. Therefore some marketing agents may not be mandated by, or known to the management company.

## 2.7 Delegated fund accountant

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

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

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

## 3. OPERATING AND MANAGEMENT PROCEDURES

### 3.1 General features

#### 3.1.1. Unit Class characteristics

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

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

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

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

**Subdivision of units:** Fund units are decimalised in hundred-thousandths (e.g. 0.0001). Subscription and redemption orders may be expressed in a fractionalised number of units or in cash value.

#### 3.1.2. Accounting year-end

Financial year closing date: last trading day in December (1st financial year: 31 December 2013).

#### 3.1.3. Tax regime

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

French personal equity savings plan eligibility (PEA): the Fund is not eligible for the PEA.

#### 3.1.4. Information on SRI certification

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

### 3.2 Specific provisions

#### 3.2.1. ISIN Codes

Unit Class	ISIN Code
I	FR0011288489
ID	FR0011288505
R	FR0011288513
R USD	FR0012950574
X	FR0011288539

#### 3.2.2. Classification

Bonds and other debt securities denominated in Euros.

**UCITS of UCITS:** No.

#### 3.2.3. Investment objective

The aim is to outperform the Barclays Capital Euro Corporate ex-Financials Bond Index (coupons reinvested) over a minimum investment period of five (5) years, within a modified duration range of 0 to +5 and according to a socially responsible investment process.

#### 3.2.4. Benchmark

The benchmark index of the Fund is the Barclays Capital Euro Corporate ex-Financials Bond Index (coupons reinvested).

This index consists of Euro denominated corporate bonds rated investment grade by the agencies Fitch Ratings, Moodys and / or Standard & Poors, issued in the Eurobond markets and domestic markets in the euro area by issuers from the industry or utilities sectors. It includes only bonds with a residual maturity of at least one year and which have a minimum outstanding of EUR 300 million.

The administrator of the Bloomberg Barclays Capital Euro Corporate Ex-Financial Bond benchmark index is Bloomberg Index Service Limited and is entered in the benchmark index and administrator register maintained by ESMA. Additional information on this index is available at: <http://www.barcap.com>.

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

#### 3.2.5. Investment strategy

Description of strategies used:



The investment strategy aims to continually expose the portfolio to between 60% and 100% (with a maximum of 20% to public issuers and equivalent) to Euro-denominated bonds (including convertible bonds) and other debt or money market securities issued by public or private issuers. In addition, the net assets may be exposed up to 40% to fixed income derivative instruments listed on international regulated markets or traded over the counter (including Credit Default Swaps) to adjust the sensitivity of the portfolio without allowing any overexposure. Indirect exposure to equities, gained through convertible bonds will be limited to 10% of net assets.

The management team will select securities issued by companies of all capitalisation sizes that are included in its global process of fundamental analysis, or securities issued by public entities (and equivalent), with any or no rating. Therefore the net assets can be fully exposed to the credit risk of small and mid cap companies (capitalisation of under one billion euros). There is also no restriction as per the sector-based split except for a 10% cap in securities issued by the financial sector.

Depending on the rate of exposure of the net assets to the aforementioned asset classes, between 0% and 40% of the net assets may be exposed to a selection of money market securities denominated in euros issued by public (and equivalent) or private issuers that have their registered office in an OECD-member country, and are rated at least A-3 by Standard & Poor's or an equivalent rating agency (Moody's and Fitch Ratings).

Furthermore, up to 20% of the Fund's assets may be exposed to bonds and other debt securities or money market instruments denominated in a currency other than the euro, for which the currency risk will be limited to 10% by the arrangement of foreign currency hedges; while up to 25% of the assets may be exposed to bonds and other debt securities or money market instruments denominated in euros but issued by public or private issuers based outside the Eurozone (including issuers in emerging markets).

Range of interest rate sensitivity	Geographical area of securities issuers
Min 0	Eurozone: 75% min / 100% max
Max 5	World (including emerging markets): 0% min / 25% max

The net assets may be exposed to UCITS classified as "cash" or "short-term money market", or to UCITS that implement a strategy aiming for money market return, or to diversified UCITS implementing a strategy of absolute performance with neutral exposure to fixed income or equity markets, within a global limit of 10%, and it may also use term deposits within a 10% limit,

with credit institutions rated at least BBB by the aforementioned rating agencies.

The investor's attention is drawn to the fact that the Fund provides no direct exposure to securitisation vehicles. Indirect exposure to securitisation vehicles is possible through the UCITS classified as "cash" or "short-term money market", although such vehicles cannot be the principal strategy of the UCITS subscribed to on behalf of the Fund.

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

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

Asset classes and financial futures in the portfolio:

The following instruments are likely to be included in the Fund's net assets:

**French and international bonds and debt securities**

The Fund's portfolio may include up to 100% bonds and other euro-denominated debt securities issued by private issuers, and up to 20% by public issuers or equivalent, of all ratings or without any rating. There is also no restriction as per the sector-based split except for a 10% cap in securities issued by the financial sector.

Outside the Eurozone, the following instruments may also be eligible for the Fund's net assets:

- bonds and other debt securities or money market instruments denominated in a currency other than the euro, within the limit of 20% of the assets; the currency risk is limited to 10% through foreign exchange hedges;
- bonds and other debt securities or money market instruments denominated in euros, but issued by public or private issuers based outside the Eurozone (including emerging market issuers), within the limit of 25% of the net assets.

Through the selection process, the management team will maintain the global portfolio's sensitivity between 0 and +5.

**Equities**

None

**Units or shares of UCITS**

The Fund may hold up to 10% of its net assets in the form of shares or units in the following UCITS or investment funds:

- European funds, including French UCITS-compliant funds investing less than 10% of assets in UCITS or investment funds;
- French funds that are non-UCITS-compliant which respect the four criteria of Article R. 214-13 of the French Monetary and Financial Code.

Those UCITS may be classified as "cash" or "short-term money market", or they may be UCITS implementing a strategy aiming for money market return, or diversified UCITS implementing a strategy of absolute performance with neutral exposure to fixed income or equity markets.

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

#### Derivatives

The Fund participates in regulated or organised French or foreign markets, or in over-the-counter transactions. The Fund may use interest rate and currency futures and options as well as forward foreign exchange contracts and Credit Default Swaps (CDS). These instruments may expose or hedge the portfolio vis-à-vis the interest rate risk, credit risk and currency risk (which is limited to 10% of the net assets), without allowing any overexposure. CDSs, which may be linked to a single issuer or to a bond index, may however only be used for hedging purposes. These instruments should not account for more than 40% of the Fund's net assets.

The commitment of the Fund on the futures markets by using financial derivative instruments is limited to its asset size, this liability being assessed through the commitment method.

#### Securities with embedded derivatives

The Fund deals in financial instruments with embedded equity derivatives.

Those instruments are bond-type securities with a conversion or subscription right including convertible bonds, bonds redeemable into new or existing shares and equity-warrant bonds. They can represent up to 100% of the Fund's net assets, the indirect exposure to equities, calculated in reference to the delta of the convertible bond, is limited to 10% of the Fund's net assets.

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

#### Debt securities and money market instruments

The Fund's net assets may include up to 40% transferable debt securities from public or private issuers, without any allocation constraints between these two categories. Those may be French Treasury Bonds (BTF) or equivalent instruments issued by Member States of the OECD, Transferable Certificates of Deposit ("TCD") or commercial papers from private issuers

headquartered in an OECD country and rated at a minimum of BBB or equivalent by the rating agencies Standard & Poor's, Moody's and Fitch Ratings. Negotiable debt securities shall have a residual maturity of less than three months.

#### Use of deposits

The Fund may use term deposits up to an authorised limit of 10% of the net assets, with credit institutions rated at least BBB by the aforementioned rating agencies

#### Cash loans

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

#### Temporary acquisitions and sales of securities

There are no plans to use temporary acquisitions and sales of securities in connection with the management of the Fund.

#### 3.2.6. Contracts constituting financial guarantees

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

#### 3.2.7. Risk profile

Risks incurred by the Fund:

- **Risk of loss of principal as:** 1) The Fund's performance may not meet investment objectives or investor targets (which depend on their portfolio composition); 2) The principal invested may not be entirely returned; 3) The performance may be adversely affected by inflation.
- **Interest-rate risk and credit risk**, as the Fund may be exposed up to 100% to fixed income products, debt securities and money market instruments, directly or via other UCITS.

Interest rate risk:

- the risk that the rates decline when investments are made at a variable rate (lower rate of return);
- the risk that rates will rise in the case of fixed-rate investments, as the value of a fixed interest-rate product is inversely proportional to interest rate levels. The net asset value may decrease in the event of an adverse variation in interest rates.

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

This Fund should be regarded partly as speculative and aimed specifically at investors who are aware of the risks inherent in investing in securities with a low or non-existent rating. Thus exposure to high yield investments, which may reach 100% of the net assets may trigger a fall in the NAV.

- **Risk incurred by convertible bond investments**, given that the Fund may be exposed up to 100% to convertible bonds. This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: the level of interest rates, change in the price of underlying shares and the change in the price of a derivative embedded in a convertible bond.
- **The risk incurred from discretionary management**, as the management team may, within the limits indicated, freely allocate Fund assets among the various asset classes, thus incurring the risk that the Fund may not be invested in the best-performing markets.
- **The liquidity risk**, due to the limited size and depth of the markets in which the Fund may deal its buy and sell orders. In this regard, investors should bear in mind that the small- and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors. This is the risk that some purchase or sale orders may not be fully executed on account of the limited quantity of securities available on the market. The securities of these issuers may also experience greater volatility than those issued by large caps and reduce the net asset value.
- **The equity risk**, given that the Fund may be indirectly exposed for up to 10% of its net assets to equity markets through convertible bond investments. This is the risk that equity markets fall, or that the value of one or more underlying shares to one or more convertible bonds decreases, negatively impacting the net asset value.
- **Currency risk**, as the Fund may be invested for up to 10% of its net assets in financial instruments listed in a currency other than the euro. It is the risk that the value of an investment currency diminishes compared to the Fund's benchmark currency, i.e. the euro.
- **Emerging market risk**, as the Fund may be invested up to 10% in fixed income securities, debt securities and money market instruments issued by issuers in emerging markets. This is the risk that the value of such investments may be affected by the economic and political uncertainties of these countries, given the fragility of their economic, financial and political structures. In the event of a fall in one or several of these markets, the NAV may fall.
- **Methodological risk linked to socially responsible investment (SRI)**: ESG factors can vary depending on investment themes, asset classes, investment philosophy and the subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to some extent be subjective or based on measures which may share the same name but have different underlying meanings. ESG information, whether from an external and/or

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

- **Sustainability risks**: Environmental, social or governance events that, if they occur, could have a material, actual or potential, negative impact on the value of the investment. However, the Fund's investment policy does not systematically or concomitantly include ESG criteria or measures to mitigate these risks.

### 3.2.8. *Guarantee or protection*

None

### 3.2.9. *Target investors and target investor profile*

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

Unit Class X has been more specifically designed for UCITS managed by Sycomore Asset Management or by its subsidiaries.

Other unit classes are aimed at all investors.

The Fund may be used within unit linked life insurance policies. It is particularly aimed at investors interested in a minimum investment period of five (5) years and who also wish to diversify their investments.

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

The units in the Fund, which is a Foreign Public Fund within the meaning of Section 13 of the US Bank Holding Company Act,

have not been registered or reported to the US authorities pursuant to the US Securities Act of 1933. Hence, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or for the benefit of a "U.S. Person" within the meaning of the US Regulation (Regulation S).

### **3.2.10. Income calculation and allocation**

Accumulation and/or distribution.

Distribution frequency: None for Unit Classes I, R, R USD and X.

Annual distribution for Unit Class ID with the possibility of distributing a quarterly interim advance payment.

### 3.2.11. Unit Class characteristics

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Subscription subscription	Management fees and operating charges
I	FR0011288489	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	7% Maximum rate	0.60% Maximum per annum including taxes
ID	FR0011288505	Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of section I of annex II of Directive 2014/65/EC, and all subscribers within the framework of discretionary management services or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which the suppliers of such services are not allowed to accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by the management company or by the marketing agent of the Fund ('clean share' units).	7% Maximum rate	0.60% Maximum per annum including taxes
R	FR0011288513	Accumulation	EUR	All	3% Maximum rate	1.20% Maximum per annum including taxes
R USD	FR0012950574	Accumulation	USD	All	3% Maximum rate	1.20% Maximum per annum including taxes
X	FR0011288539	Accumulation	EUR	All investors, especially mutual funds managed by SYCOMORE AM or by its subsidiaries	10% Maximum rate	0.60% Maximum per annum including taxes

Unit Class	Minimum subscription
I	None
ID	None
R	None
R USD	None
X	None

### 3.2.12. Conditions for subscribing and redeeming shares

Orders for subscription or redemption of units to be registered or registered as bearer/administered registered units in Euroclear, are centralised by BNP Paribas SA (Postal address: 9, Rue du Débarcadère, 93500 Pantin, France) on each NAV calculation day (D) at 12:00 pm. Orders for pure registered units to be registered or registered in the IZNES shared electronic registration system (Dispositif d'Enregistrement Électronique Partagé, DEEP) are received at any time by IZNES and centralised by IZNES on each NAV calculation day (D) at 12:00 pm. These orders are then executed at an unknown price on the basis of the following business day NAV (D+1), which is calculated on D+2. The related payments occur on the second business day that follows (D+3).

In summary, subscription and redemption orders are executed in accordance with the table below, unless any specific deadline is agreed upon with your financial institution:

D: Day on which the net asset value is determined	D+1 business day	D+2 business days	D+3 business days
Centralisation of subscription and redemption orders before 12:00 pm (CET)	Execution of the centralisation of subscription and redemption orders	Publication of the Net Asset Value of D+1	Delivery of Subscriptions Settlement of Redemptions

Subscription and redemption orders may be expressed in cash value, or in a fractionalised number of units. Each fund unit is divided into ten-thousandths.

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

NAV calculation date and frequency: The net asset value is determined each day the Euronext markets are open, with the exception of legal holidays in France (D). In this case, it is calculated on the following business day (J+1) based on the closing price of the previous day (J).

A swing pricing mechanism has been set up by the Management Company as part of the Fund's valuation. For more information on this mechanism, please refer to the section on asset valuation rules.

Place and methods of publication or communication of net asset value: The net asset value is available upon request from Sycamore Asset Management and on its website ([www.sycamore-am.com](http://www.sycamore-am.com)).

Applicable as at 31/12/2023: Capping Mechanism for Redemptions (or 'gate'):

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

The Capping Decision shall apply in the following circumstances:

#### I. Description of the strategy used

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

If redemption requests exceed the gate trigger level, the Management Company may resolve to process redemption requests in excess of the 5% cap and partially execute redemption orders above the stated level, or execute them in their entirety. Such a decision is based on an appreciation of the portfolio's situation in terms of market risks, liquidity risk, and the ability to perpetuate the fund's investment strategy in the interest of the unit holders. For example, in the absence of subscriptions, if the total redemption requests for the fund units are 10% while the gate trigger threshold is 5% of the net assets, the Management Company may decide to honour redemption

requests up to 7.5% of the net assets (and thus to execute 75% of redemption requests instead of 50% if it strictly applies the cap at 5%).

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

II. Informing unit holders

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

III. Order processing

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

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

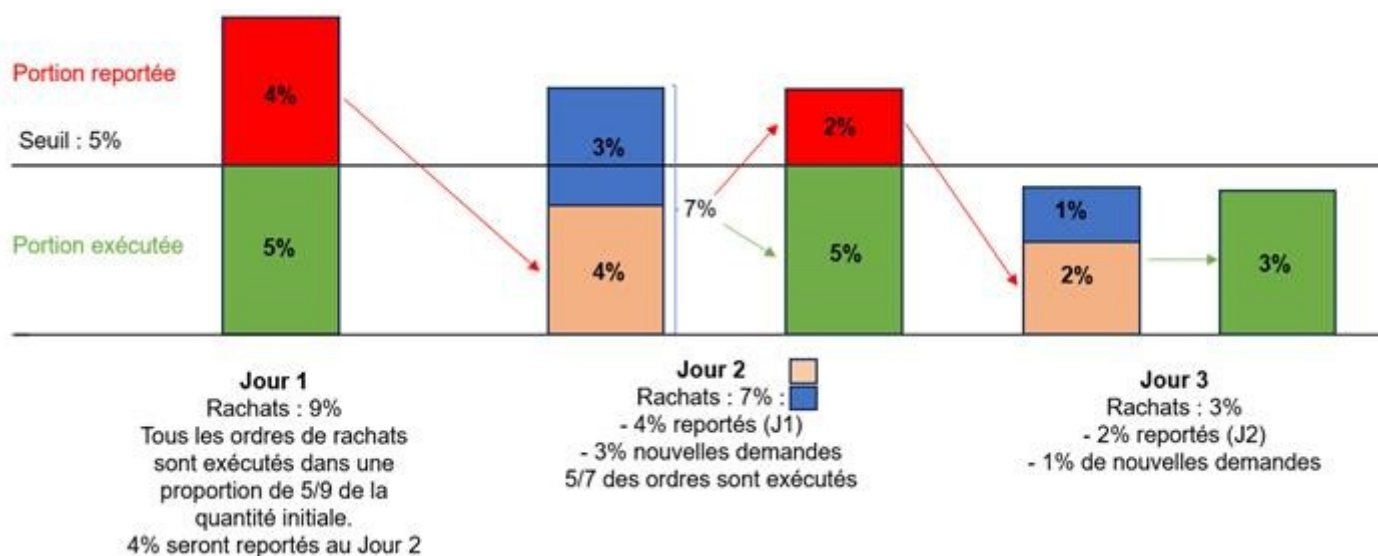
Consequently, the number of units to which the redemption is carried out is equal, for a given unit holder, to the initial number of units to which the redemption has been requested multiplied by the Reduction Coefficient, this number of units being rounded up to the larger fraction of units.

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

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

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

IV. Example of the mechanism implemented:



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

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

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

### 3.2.13. Fees and Charges

#### Entry and exit charges:

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

Charges borne by the investor at the time of subscriptions and redemptions	Basis	Rate				
		Unit Class I	Unit Class ID	Unit Class R	Unit Class R USD	Unit Class X
Subscription fee not due to the UCITS	Net Asset Value multiplied by the number of units subscribed	7% Maximum rate	7% Maximum rate	3% Maximum rate	3% Maximum rate	10% Maximum rate
Subscription fee due to the UCITS	Net Asset Value multiplied by the number of units subscribed	None				
Redemption fee not due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None				
Redemption fee due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None				

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

Operating and management charges: These fees include all the expenses invoiced directly to the UCITS, except for execution fees. Execution fees include intermediation charges (brokerage, stamp duty, etc.) and transfer commissions, if any, which may be collected by the depositary and the management company. The following may be payable in addition to the operating and management charges:

- performance fees. These reward the management company when the UCITS exceeds its objectives. They are therefore invoiced to the UCITS;
- transfer commissions invoiced to the UCITS.

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

Fees charged to the UCITS	Basis	Rate				
		Unit Class I	Unit Class ID	Unit Class R	Unit Class R USD	Unit Class X
Financial management and operating charges and other services	Net assets	Maximum annual rate (including tax)				
		0.60%	0.60%	1.20%	1.20%	0.60%
Transfer commissions charged by the Management Company	Charge on each transaction	None				
Transfer commissions collected by the depositary	Charge on each transaction	None				
Performance fee	Net assets	10% including tax above Barclays Capital Euro Corporate ex-Financials Bond Index (dividends reinvested)				None

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



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

#### Calculation method

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

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

#### Offsetting underperformance and reference period

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

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

#### Observation period

The first twelve-month observation period began on 1 January 2022.

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

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

receives the provisioned fees (crystallisation), the calculation is reset and a new twelve-month observation period begins.

#### Provisionnement

Each time the net asset value is established (NAV), the performance fee is subject to a provision (of 10% of the outperformance) when the net assets before deduction of any performance fee from the Fund is greater than that of the notional UCI over the observation period, or a recovery of the provision limited to the existing allocation in the event of underperformance.

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

#### Cristallisation

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

The first crystallisation period will end on the last day of the financial year ending 31 December 2022.

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

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

## 4. COMMERCIAL INFORMATION

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

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

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

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

- Sycomore Asset Management, 14 Avenue Hoche, 75008 Paris, France;
- At the following address: [info@sycomore-am.com](mailto:info@sycomore-am.com).

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

Information on methods used to assess Environmental, Social and Governance (ESG) criteria included in the Fund's strategy is available on Sycamore Asset Management's website ([www.sycamore-am.com](http://www.sycamore-am.com)).

Sycamore AM's shareholder commitment policy and the latest report on the implementation of this policy are available on our website: [www.sycamore-am.com](http://www.sycamore-am.com).

Furthermore, information concerning the Fund may be obtained directly via the Sycamore Asset Management website

([www.sycamore-am.com](http://www.sycamore-am.com)) or by calling our Investor Relations Department at +33 (0)1 44 40 16 00.

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

## 5. INVESTMENT REGULATION

The Fund complies with the investment regulations for UCITS governed by Directive 2009/65/EC investing up to 10% of their assets in units or shares of UCITS, it also complies with the General Regulation of the AMF regarding Eurozone equity UCITS.

## 6. OVERALL RISK

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

## 7. ASSET VALUATION PRINCIPLES

### 7.1 Asset valuation rules

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

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

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

with methods laid down by the management company, as defined in the notes to the annual financial statements.

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

The accounting currency of the UCITS is the euro.

### 7.2 Net asset value adjustment method related to swing pricing with trigger threshold:

Sycamore Asset Management has decided to implement a swing pricing mechanism to protect the UCITS and its long-term investors from the impact of strong capital inflows or outflows.

If on any NAV calculation date the total net subscription/redemption orders from investors on all unit classes of the Fund exceed a pre-established threshold, determined on the basis of objective criteria by the management company as a percentage of the net assets of the Fund, the NAV may be adjusted upwards or downwards to take into account adjustment costs attributable to net subscription/redemption orders respectively. The NAV of each unit class is calculated separately but any adjustment has, as a percentage, an identical impact on all the NAVs of the Fund's unit classes. The cost and trigger parameters are determined by the management company and reviewed periodically, at least quarterly. These costs are estimated by the management company based on the transaction fees, bid-offer spreads and any taxes that may be applicable to the Fund.

As this adjustment is linked to the net balance of subscriptions/redemptions in the Fund it is not possible to accurately predict whether swing pricing will be applied at any given time in the future. Consequently it is also not possible to accurately predict how frequently the management company will need to make such adjustments. Investors should note that the volatility of the Fund's NAV may not reflect solely the volatility of securities held in the portfolio as a result of the application of swing pricing.

As the punctual effect of swing pricing on the net asset value is not related to management, the performance fees are calculated before application of this method.

The policy for determining the mechanisms of Swing Pricing is available on our website, [www.sycomore-am.com](http://www.sycomore-am.com), or upon request from the management company. The application of Swing Pricing is at the discretion of the Management Company in accordance with the Swing Pricing Policy of Sycomore Asset Management.

### 7.3 Alternative assessment procedures in case the financial data is unavailable

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

Nevertheless, at any given time, Sycomore Asset Management has its own estimate of the financial assets in the Fund, carried out using multiple sources of financial data which it has at its disposal (Reuters, Bloomberg, market counterparties, etc.). In the event that the delegated administrative and accounting agent is unable to value the Fund's assets, it will still therefore be possible to provide it with the requisite information for the purpose of such a valuation, in which case the Statutory Auditor will be promptly informed.

### 7.4 Accounting method

The accounting method selected to record income from financial instruments is the coupon-received principle.

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

## 8. REMUNERATION POLICY

In accordance with the regulation resulting from Directives 2011/65/EC (AIFM) and 2014/91/EC (UCITS V), Sycomore AM established a remuneration policy. Its objectives are to promote alignment of interests between investors, the management company and its staff, as well as sound and efficient risk management of managed portfolios and of the management company, taking into account the nature, scope and complexity of Sycomore AM's activities. In particular, it relies on the allocation of sufficiently high fixed remuneration and bonuses whose procedures for allocation and payment promote the alignment of long-term interests.

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

## TERMS AND CONDITIONS

### ASSETS AND UNITS

#### **Article 1 - Fund units**

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

The duration of the fund is 99 years from 1 September 2012, except in the cases of early dissolution or extension provided for in these terms and conditions.

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

The various categories of units may:

- benefit from different income distribution methods (distribution or capitalisation)
- be denominated in different currencies;
- incur different management fees;

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

#### **Article 3 - Issue and redemption of units**

The units can be issued at any time at the request of unit holders on the basis of their Net Asset Value plus, if applicable, any subscription fees. Redemptions and subscriptions shall be carried out in accordance with the conditions and procedures defined in the prospectus. The Fund's units may be listed for trading in accordance with applicable regulations.

Unit subscriptions must be paid in full on the NAV calculation date. They may be made in cash and/or by a contribution in kind in the form of transferable securities. The management company has the right to refuse the proposed securities and has a period of seven days from the date of filing to inform the subscriber of their decision. If it accepts the securities, they shall be valued on the basis of the rules laid down in Article 4, and the subscription shall be made on the basis of the first net asset value calculated following acceptance of the securities involved.

Redemptions shall be paid out exclusively in cash, unless the Fund is liquidated and unit holders have given their consent to repayment in securities. Payment is made by the registrar and transfer agent within a maximum of five days following unit valuation.

- bear different entry and exit charges;
- have a different nominal value.

Units may be consolidated or split.

The Board of Directors of the asset management company may elect to split units into ten-thousandths, referred to as fractional units.

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

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

#### **Article 2 - Minimum assets**

This period may however be extended up to a maximum of 30 days in exceptional circumstances if the repayment requires the prior divestment of assets held in the Fund. Except in case of inheritance or inter-vivos estate distribution, the disposal or transfer of units between unit holders, or from unit holders to a third party, is equivalent to a redemption followed by a subscription; if this involves a third party, the disposal or transfer amount must, if relevant, be completed by the beneficiary in order to attain at least the minimum subscription required by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the redemption by the Fund of its units, as well as the issue of new units, may be provisionally suspended, by the management company, under exceptional circumstances and if unit holders' best interests so require. If the value of the Fund's (or, if applicable, of a sub-fund's) assets falls below the minimum threshold set by the regulations, no redemptions may be carried out (in respect of the sub-fund in question, as the case may be).

Minimum subscription requirements may be imposed, as set out in the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, and Article 411-20-1 of the AMF General Regulation, the Management Company may decide to cap redemptions when exceptional circumstances require it, and if unit holders' best interests so require.

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

I. Description of the strategy used

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

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

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

II. Informing unit holders

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

III. Order processing

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

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

**Article 4 - Calculation of the Net Asset Value**

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

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

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

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

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

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

In application of paragraph three of Article L. 214-8-7 of the French Monetary and Financial Code, the Fund may stop issuing units in objective situations leading to the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a fixed subscription period. These objective circumstances are defined in the full prospectus of the UCITS.

The trigger of this tool will be communicated by any means to existing unit holders relating to its activation, as well as to the threshold and objective situation that led to the decision to partially or completely close. In the case of a partial closure, this communication by any means will explicitly specify the terms and conditions under which existing unit holders may continue to subscribe during the duration of this partial closure. Unit holders are also informed by any means of the decision of the UCITS or the management company either to end the total or partial closure of subscriptions (when falling below the trigger level) or not to end them (in the event of a change of threshold or a change in the objective situation that led to the implementation of this tool). A change in the objective situation invoked or to the trigger level of the tool must always be made in the interests of the unit holders. Information by any means shall specify the exact reasons for these changes.

**FUND OPERATION**

**Article 5 - The Management Company**

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

In all circumstances, the management company shall act on behalf of the unit holders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

### **Article 5a - Operating rules**

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

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

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

### **Article 6 – Custodian**

The depositary performs the tasks entrusted to it by the legal and regulatory provisions in force as well as those entrusted to it contractually.

The depositary is responsible for ensuring that legal decisions made by the management company comply with the necessary regulations. It must, where required, take any precautionary measures it deems necessary. In the event of a dispute with the management company, it informs the French financial markets authority (Autorit  des March s Financiers, AMF).

### **Article 7 - Statutory auditor**

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

The statutory auditor is required to notify the AMF as soon as possible of any fact or decision relating to the UCITS of which they become aware in the course of their audit that may:

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

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

any interim distribution. The statutory auditor's fees are included in the management fees.

### **Article 8 – The financial statements and management report**

At the closing of each financial year, the management company prepares the financial statements and a report on the fund's management during that year. The management company prepares a statement of the Fund's assets and liabilities, at least once every half-year and under the supervision of the depositary.

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

## **TERMS AND CONDITIONS OF ALLOCATION OF DISTRIBUTABLE SUMS**

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

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

Distributable amounts shall be equal to the net income for the financial year plus items carried forward, plus or minus the balance of accrued income relating to the elapsed financial year. The management company shall decide on the appropriation of income.

Where applicable, the Fund may choose one of the following options for each unit class:

- capitalisation: distributable amounts are fully reinvested with the exception of those that must be distributed pursuant to legal provisions;
- distribution: distributable amounts are fully distributed, subject to rounding; interim distribution is permitted;
- in the case of Funds that wish to preserve discretion to reinvest and/or distribute. The management company shall decide each year on the appropriation of income. The possibility of interim distribution should be provided for.

## **MERGER – SPLIT – DISSOLUTION – LIQUIDATION**

### **Article 10 - Merger & De-merger**

The management company may either transfer, in full or in part the assets included in the Fund to another UCITS that it manages, or split the Fund into two or more other funds for which it will provide management.

A merger or split may not be carried out until one month has elapsed after notice of the transaction has been given to unit holders. A merger or split gives rise to the issuance of a certificate specifying the new number of units held by each unit holder.

#### **Article 11 - Dissolution & extension**

If the Fund assets remain below the amount specified in Article 2 for a period of thirty days, the management company shall wind-up the Fund and inform the French financial markets authority (Autorité des Marchés Financiers, AMF), unless it is merged with another investment fund.

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

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

The management company shall inform the French financial markets authority (Autorité des Marchés Financiers, AMF) in writing of the scheduled date and selected winding-up procedure. It shall then send the French financial markets authority (Autorité des Marchés Financiers, AMF) the statutory auditor's report.

Extension of a fund may be decided by the management company in agreement with the depositary. Its decision must be taken at least 3 months prior to expiry of the Fund's term, and

both unit holders and the French financial markets authority (Autorité des Marchés Financiers, AMF) must be informed at the same time.

If the agreement concluded between the depositary and the management company is terminated by either party, the management company shall wind-up the Fund within a maximum period of three months upon reception of the termination notice by the party being notified. This is unless another depositary has been designated by the management company and authorised by the French financial markets authority (Autorité des Marchés Financiers, AMF) within this period.

#### **Article 12 - Liquidation**

If the fund is wound-up, the management company shall be responsible for the liquidation process. The liquidation process may be entrusted to the depositary subject to its consent. The management company or, where applicable, the depositary shall be vested with the broadest powers to dispose of assets, pay any creditors and distribute the remaining balance between unit holders in cash or securities.

The statutory auditor and the depositary shall continue in their respective capacities until the liquidation process is complete.

### **DISPUTES**

#### **Article 13 - Competent courts & Choice of jurisdiction**

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

## 9. ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

### Right to market units in Germany:

SYCOMORE ASSET MANAGEMENT (the "Company") has notified the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") of its intention to market units of the UCITS in the Federal Republic of Germany. Since completion of the notification process, the Company has the right to market units of the UCITS in Germany.

### Facilities in the Federal Republic of Germany:

Applications for the redemptions, repurchase and subscriptions of units may be sent to the Depositary Bank and Transfer and Registrar Agent and Administrative Agent: **BNP Paribas SA** (9, rue du Débarcadère, 93500 Pantin, France). All payments to investors, including redemption proceeds and potential distributions, may, upon request, be paid through said Depositary Bank and Transfer and Registrar Agent and Administrative Agent.

The Prospectus (including the SFDR pre-contractual disclosure, where applicable), the Key Information Documents, the Management Regulations of the UCITS, the Annual and Semi-Annual Reports may be obtained, free of charge, in hard copy form at the registered office of the Company (14, avenue Hoche, 75008 Paris, France) during normal opening hours and asking at [info@sycomore-am.com](mailto:info@sycomore-am.com).

The issue and redemption prices of the units are also available at the registered office of the Company and on the website: <https://de.sycomore-am.com>.

In addition, communications to investors in the Federal Republic of Germany will be provided to investors by means of a durable medium in accordance with Section 167 of the German Investment Code (such as Bundesanzeiger) in the following cases:

1. suspension of the redemption of the units of the UCITS;
2. termination of the UCITS management or the winding-up of the UCITS;
3. amendments to the UCITS rules which are inconsistent with existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the UCITS assets, including the reasons for the amendments and the rights of investors, the information must be communicated in an easily understandable form and manner and must indicate where and how further information may be obtained;
4. merger of the UCITS in the form of information on the proposed merger which must be drawn up in accordance with Article 43 of Directive 2009/65/EC;
5. conversion of the UCITS into a feeder fund or any change to a master fund in the form of information which must be drawn up in accordance with Article 64 of Directive 2009/65/EC.



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

Product name: Sycomore Sélection Cr dit

Legal entity identifier: 9695001XM70M2WO1YD25

## Environmental and/or social characteristics

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

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

### Does this financial product have a sustainable investment objective?

Yes

No

It will invest a minimum percentage in **sustainable investments with an environmental objective**: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy;

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

It will make a minimum of **sustainable investments with a social objective**: \_\_\_%

It **promotes environmental and social criteria (E/S)** and even if these investments may not qualify as sustainable investment, the product must hold at least 50% of its assets in sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make sustainable investments**



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

As indicated in the Prospectus, the Sycomore Sélection Crédit aims to outperform the Barclays Capital Euro Corporate ex-Financials Bond index over a minimum investment period of five years and through a socially responsible investment process, by selecting companies specifically based on environmental criteria and on their contribution to employment.

One of the objectives of bond issues is to enable companies to finance their development: Sycomore Sélection Crédit thus contributes through its investments to the financing of economic growth.

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

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

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

#### **At the level of the companies held:**

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

<sup>1</sup> Further information is available on the website, which can be found at the end of this document

<sup>2</sup> Ibid

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> Ibid

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

on a scale from -100%, for the activities that are the most damaging to natural resources, to +100% for activities providing a strong positive environmental impact. The NEC targets five impact categories (challenges: climate, waste, biodiversity, water, air quality) by business group (areas of contribution: ecosystems, energy, mobility, construction, production).

- **The Environmental rating within the Environment pillar of our SPICE methodology.**
- **The Reputation Risk & Responsible Marketing rating within the Client pillar of our SPICE methodology.**
- **The Communication and Transparency rating within the Investors pillar of our SPICE methodology.**
- **The Bonholder Risk rating within the Investors pillar of our SPICE methodology.**
- **Compliance of companies held with the Investment Manager's SRI exclusion policy.**
- **Compliance of companies held with the Investment Manager's controversy review process.**
- **Compliance of companies held with the Investment Manager's PAI policy.**
- **Compliance of the issuing government with the Investment Manager's country rating model.**

**At product level:**

- Net Environmental Contribution;
- Workforce growth indicator over 3 years.

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

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

- **At the societal level:** investments where the **societal contribution of products and services** is greater than or equal to +30%.
- **At the human resources level,** two indicators relate to SDG 8 ('Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.') and SDGs 3, 4, 5, and 10 for the former:
  - **Investments awarded with a 'Happy@Work Environment' rating** greater than or equal to 4.5/5;
  - **Investments awarded with a 'Good Jobs' rating** greater than or equal to 55/100.

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

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

It should be noted that the Fund undertakes to invest a minimum of 50% of its net assets in underlying assets that meet sustainable investment criteria according to the conditions set out in this document, regardless of whether the objective of its investments is environmental or social.

***To what extent do the sustainable investments that the financial product intends to pursue in particular not cause significant damage to an environmentally or socially sustainable investment objective?***

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

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

1. **Compliance of companies held with the Investment Manager's SRI exclusion policy<sup>6</sup>:** activities are limited for their controversial social or environmental impacts, as defined and reviewed each year in Sycomore AM's basic policy (applicable to all direct investments of Sycomore AM) and in the Socially Responsible Investment (SRI) policy (applicable to all UCITS, mandates and dedicated funds managed according to an SRI strategy) such as: human rights violations, controversial and nuclear weapons, conventional weapons and ammunition, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy production, oil and gas.
2. **Companies concerned by a level 3/3 controversy<sup>7</sup>:** identified based on the Investment Manager's in-depth analysis of controversies. Companies classified as most controversial (-3 on the Sycomore AM scale, from 0 to -3) are considered to be in breach of one of the principles of the United Nations Global Compact.
3. **SPICE rating below 3/5:** Through its 90 criteria, the SPICE methodology covers all environmental, social, and governance issues targeted by the indicators of adverse impacts on sustainability factors listed in the Regulatory Technical Standards. A lower rating, less than 3/5, indicates a lower sustainability performance on one or more adverse impacts.
4. **According to Sycomore AM's Principal Adverse Impacts (PAI) policy<sup>8</sup>:** a PAI policy to identify additional risks of significant impacts on the environmental and social issues covered by the PAI indicators listed in Table 1 of Annex I of the SFDR Regulation is implemented. Companies meeting all the exclusion criteria relating to GHG emissions, biodiversity, water, waste, gender equality, the principles of the United Nations Global Compact/OECD Guidelines for Multinational Enterprises, or controversial weapons, will be declared 'unsustainable'.

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

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

1. **Solely for sustainable investments:** a PAI policy based directly on the indicators in Table 1 of Annex I and all relevant indicators in Tables 2 and 3.
2. **For all investments in the financial product:** The framework of the SPICE analysis, which considers all the issues covered by all the indicators of adverse impact on sustainability factors, with the ability to use them to feed into the analysis.

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

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

<sup>6</sup> Further information is available on the website, which can be found at the end of this document

<sup>7</sup> Ibid

<sup>8</sup> Ibid

**Applicable to companies held:**

- **GHG emissions:**
  - Indicators 1-2-3-5-6 (scope 1, 2, 3 of GHG emissions and total emissions; carbon footprint; GHG emissions intensity of companies held; share of non-renewable energy consumption and production; energy consumption intensity by high-impact climate sector): For all sectors, GHG emissions are assessed taking into account the size of the company relative to its sub-sector and the science-based decarbonisation levels necessary to maintain the global temperature increase below 2° C compared to pre-industrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change<sup>9</sup> (IPCC). As a result, Sycomore AM's PAI approach to GHG emissions in all sectors is based on scientific indicators: on the one hand, the Science-Based Targets initiative (SBTi<sup>10</sup>) and, on the other hand, the Science-Based Initiative to Align Temperatures with 2° C (SB2A<sup>11</sup>). Companies associated with a temperature above the threshold defined in the PAI policy are considered to be seriously detrimental to the climate change mitigation objective.
  - Indicator 4 (Exposure to companies active in the fossil fuel sector): Companies active in the fossil fuel sector are subject to Sycomore AM's exclusion policy.
  
- **Biodiversity:**
  - Indicator 7 (Activities negatively affecting biodiversity-sensitive areas), in addition to Indicator 14 in Table 2 (Natural species and protected areas): these two indicators show that activities in areas sensitive to biodiversity are not likely to be undertaken without appropriate mitigation measures. Companies for which this is confirmed are deemed to seriously undermine the objective of protecting and restoring biodiversity and ecosystems. The detailed confirmation process for excluded companies is provided in the PAI policy.
  
- **Water:**
  - Indicator 8 (Emissions to water): For companies reporting emissions above the threshold set in the PAI policy, further surveys are conducted on the impact on stakeholders of past emissions, based on controversy reviews. A serious impact that the company has not yet fully taken into account is deemed to seriously undermine the objective of sustainable use and protection of water and marine resources.
  
- **Waste:**
  - Indicator 9 (Hazardous waste and radioactive waste ratio): For companies that report quantities exceeding the threshold set in the PAI policy, additional surveys are carried out on the impact on stakeholders of waste generated, based on controversy reviews. A serious impact that the company has not yet fully taken into account is deemed to seriously undermine the objective of preventing and controlling pollution.
  
- **Principles of the United Nations Global Compact/OECD Guidelines for Multinational Enterprises:**
  - Indicator 10 (Violations): The framework of the above-mentioned controversy analysis implemented by Sycomore AM aims precisely to identify violations of these international standards.

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<sup>9</sup> [https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/the-fifth-assessment-report-of-the-ipcc?gclid=CjwKCAjw7p6aBhBiEiwA83fGupjyovLRq1NKs9o5UtlotAQQcswzZD30tofiDkgryZ8SIJHtnG5y4BoCEiwQAvD\\_BwE](https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/the-fifth-assessment-report-of-the-ipcc?gclid=CjwKCAjw7p6aBhBiEiwA83fGupjyovLRq1NKs9o5UtlotAQQcswzZD30tofiDkgryZ8SIJHtnG5y4BoCEiwQAvD_BwE)

<sup>10</sup> <https://sciencebasedtargets.org/>

<sup>11</sup> <https://icebergdatalab.com/solutions.php>

- Indicator 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): The lack of processes and mechanisms for monitoring compliance with these international standards is a signal that more due diligence is needed to conclude on the likelihood of potential violations. Stricter requirements are then implemented throughout the SPICE analysis, particularly in relation to the Society & Suppliers (S), People (P), and Clients (C) stakeholder classes, defined in the PAI policy. Any company that fails the test is deemed to be significantly detrimental to one or more social objectives.
  - **Gender Equality:**
    - Indicator 12 (Unadjusted gender pay gap): Companies associated with an unadjusted gender pay gap exceeding the threshold set in the PAI policy are considered to seriously undermine the social objective of combating inequality.
    - Indicator 13 (Board gender diversity): Companies associated with the participation of women on the board of directors of the company below the threshold defined in the PAI policy are considered to seriously undermine the social objective of combating inequalities.
- **Controversial weapons:** Exposure to controversial weapons is specifically addressed by Sycomore AM's exclusion policy.

#### **Applicable to governments and supranational organisations:**

- **GHG intensity** (Indicator 15): The intensity of GHG emissions is part of the Country analysis described in Sycomore AM's ESG integration policy, which excludes underperforming countries in a wide range of environmental, social, and governance issues.
- **Investee countries concerned by social violations** (Indicator 16): Similarly, the framework of analysis applicable to Countries concerns adherence to the United Nations Charter. In addition, a set of indicators is used to assess government practices in sustainable development and governance, including corruption, human rights, and social inclusion.

#### **SPICE rating:**

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

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

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

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

**Society & Suppliers (S):** The S rating reflects the company's performance vis-à-vis its suppliers and civil society. The analysis concerns the societal contribution of products and services, social responsibility, and the subcontracting chain. Adverse sustainability indicators, including the lack of a supplier code of

conduct, inadequate whistle blower protection, lack of a human rights policy, lack of due diligence, risks related to human trafficking, child labour or compulsory labour, cases of serious human rights issues, and risks related to anti-corruption policies, aim to address the adverse impacts addressed in the Society & Suppliers section.

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

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

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

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

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

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

- As mentioned in the previous question, it offers protection against material damage to any sustainable investment objective, excluding companies that do not meet minimum safeguard requirements;
- It also has an impact on financial investments in two ways: 1. assumptions related to the company's outlook (growth and profitability forecasts, liabilities, mergers and acquisitions, etc.) can be reinforced by certain results of the SPICE analysis where applicable, and 2. certain fundamental assumptions of the valuation models are systematically linked to the results of the SPICE analysis.

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

The development of Sycomore AM's 'SPICE' analytical framework and exclusion policy are based on the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, International Labour Organization standards, and the United Nations Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts

systematically examine how a company interacts with its stakeholders. This fundamental analysis aims to understand the strategic issues, business models, quality of management and degree of involvement, as well as the risks and opportunities facing the company. Sycomore AM has also defined its human rights policy in accordance with the United Nations Guiding Principles on Business and Human Rights.

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

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

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



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



Yes, as indicated in the previous subsection:

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

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

No



### What investment strategy does this financial product follow?

The Fund's investment strategy aims to continually expose the Portfolio between 60% and 100% (with a maximum of 20% to public issuers and equivalent) to euro-denominated bonds (including convertible bonds) and other debt or money market securities issued by public or private issuers. The management team will select securities issued by companies of all capitalisation sizes that are included in its global process of fundamental analysis, or securities issued by public entities (and equivalent), with any or no rating.

This process seeks to identify quality companies whose market capitalization is not representative of the intrinsic value determined by the management team.

**The sub-fund's investment strategy fully integrates ESG (environmental, social (including human rights), and governance) issues.** This integration is carried out through the Management Company's proprietary 'SPICE' methodology described in the previous question with respect to the DNSH approach. This analysis takes 90 criteria into consideration, both qualitative and quantitative, organised around

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



the five key stakeholders: Society & Suppliers, People, Investors, Clients, and Environment. Each SPICE pillar is assigned a score on a scale of 1 to 5, and their weighted average, based on the company's sector and activities, is the final SPICE rating.

By integrating ESG criteria into the investment strategy of the mandate, we aim to identify the risks and opportunities to which companies are exposed by following a dual materiality approach, and more specifically:

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

The SPICE analysis concerns at least 90% of the Fund's net assets (excluding UCIs and cash) at all times.

**The Fund's investment universe is defined according to a minimal SPICE rating (2/5), but also according to specific criteria in the 'SPICE' overall analysis and rating methodology (see the next item on the binding elements of the investment strategy).**

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

The main methodological limits are as follows:

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

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

The following mandatory criteria apply to the Fund.

**At the investment level:**

- **When investing in companies**, the following screening and exclusion filters apply to all investments in the financial product:

- **Selection filter:** It aims to favour companies with sustainable development opportunities in five sub-groups:
  - **Companies with an Environmental Contribution rating** greater than or equal to 2/5 within the Environment pillar of our SPICE methodology.
  - **Companies with a Happy@Work rating** greater than or equal to 2/5 within the People pillar of our SPICE methodology.
  - Companies with a Reputation Risk and Responsible Marketing rating greater than or equal to 2/5 within the Client pillar of our SPICE methodology. **Companies with a Communication and Transparency risk rating** greater than or equal to 2/5 within the Investors pillar of our SPICE methodology.
  - **Companies with a Bondholder risk rating** greater than or equal to 2/5 within the Investors pillar of our SPICE methodology.
  
- **Exclusion filter:** any company which presents risks in terms of sustainable development. The risks identified include non-financial practices and performance which may call into question the competitiveness of companies. A company is thus excluded if:
  - it is involved in activities identified in the Sycomore AM SRI **exclusion policy** for its controversial social or environmental impacts, which also include investments that are concerned by a severe controversy (level 3/3);
  - it obtained a **SPICE rating** strictly below 2/5.
  
- **For bonds, other international debt securities and short-term negotiable securities from private issuers:** these will be selected through an in-house rating of the issuing Country strictly above 2.5 on a scale of 5 (5 being the highest rating), the Country being thus considered as sufficiently sustainable and inclusive.

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

- Net Environmental Contribution;
- Workforce growth indicator over 3 years.

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

- The Fund will invest continuously at least 50% of its net assets in sustainable investments that have either an environmental or a social objective.

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

As part of the investment strategy, the Fund's eligible investment universe is thus reduced by at least 20% compared to the initial universe, i.e. bonds and other debt securities denominated in euros and covered by our ESG analysis process.

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

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

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

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



## What is the asset allocation planned for this financial product?

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

**Asset allocation** describes the share of investments in specific assets.

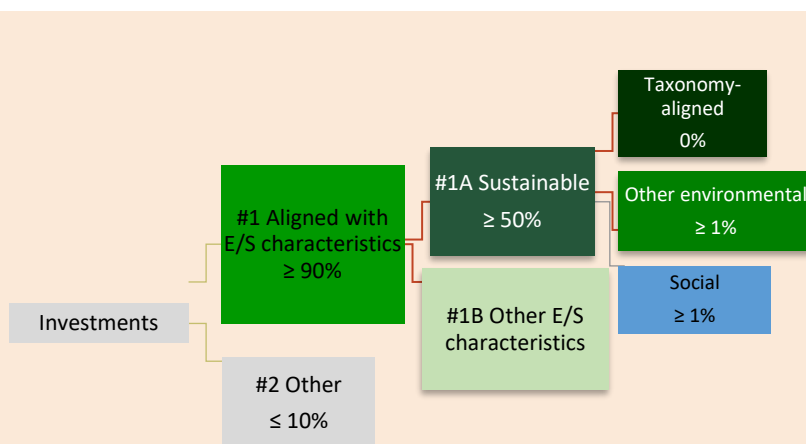
The objective for the remaining portion of investments, including a description of minimum environmental or social guarantees, is set out in the following questions: 'What investments are included under '#2 Other', what is their purpose and are there any minimum environmental or social safeguards?'

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

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

Taxonomy-aligned activities are expressed as a share of:

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



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

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

The category **#1 Aligned with E/S characteristics** covers:

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



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

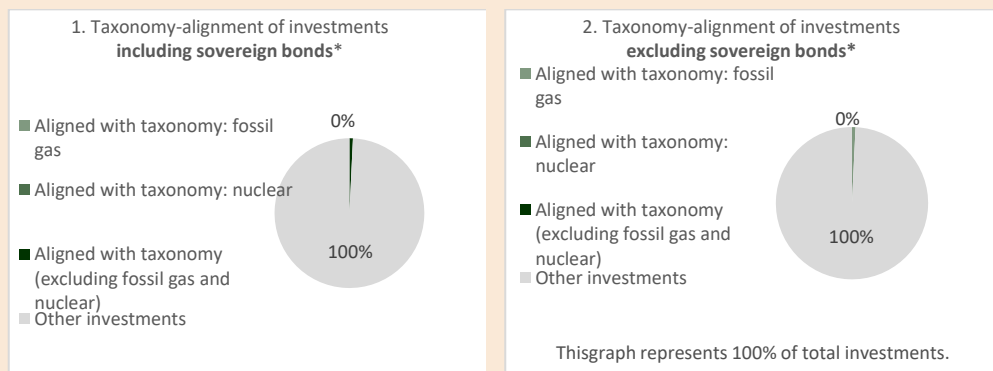
The investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities represent a minimum commitment of alignment of 0% of investments.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>12</sup>?**

Yes:  In fossil gas  In nuclear energy

No

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



\* For the purposes of these graphs, 'sovereign bonds' include all sovereign exposures

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

NA

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

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

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

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



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

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

However, the Fund will invest continuously at least 50% of its net assets in sustainable investments that have either an environmental or a social objective.



### **What is the minimum share of socially sustainable investments?**

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

However, the Fund will invest continuously at least 50% of its net assets in sustainable investments that have either an environmental or a social objective.



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

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

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



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

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

The Fund’s reference benchmark is a broad market index (Barclays Capital Euro Corporate ex-Financials Bond).



### **Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://fr.sycomore-am.com/fonds/18/sycomore-selection-credit>



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

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