SYCOMORE SELECTION MIDCAP

Prospectus

15/11/2023

UCITS under European Directive 2009/65/EC

1. GENERAL CHARACTERISTICS

1.1 Form of the Fund

French Fonds Commun de Placement (FCP)

1.2 Name

Sycomore Sélection Midcap

1.3 Legal form and Member State in which the Fund was established

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 10 December 2003 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	Minimum subscription
A	FR0010376343	Accumulation	EUR	All	None
I	FR0013303534	Accumulation	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of article 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 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 promoter of the Fund (clean share class).	None
ID	FR0013527983	Accumulation and/or 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 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 marketing agent of the Fund (clean share class).	None
R	FR0010376368	Accumulation	EUR	All	None
X	FR0010865980	Accumulation	EUR	All investors, especially mutual funds managed by SYCOMORE AM or by its subsidiaries	None
Z	FR0014006PX1	Accumulation	EUR	'Eligible counterparty 'subscribers within the meaning of Directive 2004/39/EC and' professional investor' subscribers within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to prior approval by the Management Company.	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 eight working days 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

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

2. STAKEHOLDERS

2.1 Management Company

Sycomore Asset Management, SA. Portfolio Management Company, holder of AMF approval number GP 01-030, with its registered offices located at 14, Avenue Hoche, 75008, Paris, France.

2.2 Depositary, Custodian and Fund unit registrar

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 responsibilities of the Depositary and potential conflicts of interest.

The depositary exercises three types of responsibilities, respectively monitoring the legal basis for decisions made by the management company (as defined in Article 22.3 of the UCITS V Directive), monitoring the UCITS cash flows (as defined in Article 22.4 of that Directive) and custody of assets of the UCITS (as defined in Article 22.5 of the same directive). The primary objective of the Depositary is to protect the interests of unit holders/investors of the UCITS, which shall always prevail over its 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 these situations, the Depositary has implemented and updates a policy for the management of conflicts of interest with the following objectives:
- Identification and analysis of situations of potential conflicts of interest of interest;
-Recording, managing and monitoring situations of conflicts of interest:
• based on the permanent measures implemented in order to manage conflicts of interest such as segregation of tasks, separation of hierarchical and functional lines, monitoring of internal insider lists, dedicated IT environments
• Implementing on a case-by-case basis:
◦ Appropriate preventive measures such as ad hoc monitoring lists, new 'Chinese walls' or by verifying that transactions are processed in an appropriate manner and/or informing the relevant clients
◦ Or refusing to manage activities that could give rise to conflicts of interest.

Description of any safekeeping functions delegated by the Depositary, list of delegatees and sub-delegatees and identification of conflicts of interest which 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.
Up-to-date information relating to the above points will be sent to investors upon request.

2.3 Delegated institution in charge of centralising subscription and redemption orders

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

<u>For pure registered shares to be registered or registered in the shared electronic registration system:</u>
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.

<u>For all other units:</u>
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 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 Agent

Sycomore Asset Management and its subsidiaries. The list of marketing agents is not exhaustive insofar as, in particular, the UCITS is listed on Euroclear. Thus, some marketing agents may not be appointed by or known to the Management Company.

2.7 Delegated agent for Fund Administration and Accounting

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. Investment firm approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution) 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 to market intermediaries and counterparties with its primary mission being to search for the best execution possible for 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 constitute real rights, i.e., each unit holder has a co-ownership right to 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 bearer/ administered registered units to be registered or registered in EUROCLEAR and by IZNES SA for purely registered units to be registered or registered 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 all decisions are taken 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 fractionalised in hundred-thousandths (e.g. 200.00000). Subscription and redemption orders may be expressed in a fractionalised number of units or in cash value.

3.1.2. Accounting year-end

The closing date of the financial year is the last trading day in June.

3.1.3. Tax regime

The Fund is not taxable per se. However, the unit holders may be liable to tax when they sell those units. The tax regime applicable to unrealised or realised capital gains or losses by the Fund depends on the tax provisions applicable to the specific situation of the investor, his or her tax residence and/or the jurisdiction of the Fund. If the investor is unsure of his or her tax situation, they should seek advice from an adviser or a professional.

French personal equity savings plan eligibility (Plan d'épargne en actions, PEA): This fund is eligible for the PEA.

3.1.4. Information on SRI certification

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

3.2 Specific provisions

ISIN Codes

Unit Class	ISIN Code
A	FR0010376343
I	FR0013303534
ID	FR0013527983
R	FR0010376368
X	FR0010865980
Z	FR0014006PX1

3.2.1. Classification

European Union Member Equities.

3.2.2. Investment objective

The aim of the Fund is to outperform its benchmark index, the MSCI EMU SMID CAP Net Return index (dividends reinvested), over a minimum investment period of five years, using a multi-thematic socially responsible investment process in Eurozone equities, in conjunction with the United Nations Sustainable Development Goals (SDGs).

3.2.3. Benchmark

MSCI EMU SMID CAP Net Return (dividend reinvested). This index measures the evolution of mid- and small-caps in fifteen developed countries in Europe, in all sectors taken together. The administrator of the MSCI EMU SMID CAP Net Return index is MSCI and is registered in the benchmark administrators register maintained by ESMA. Additional information on this index is available at: https://www.msci.com/

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

3.2.4. *Investment strategy implementation*

Description of the strategy used:

The investment strategy of the Fund is based on exposure from 60% to 100% of the net assets to EU equities. These shares are selected based on a thorough fundamental analysis of companies, without sector restrictions but with a capitalisation constraint, with 51% of net assets at all times exposed to shares of companies capitalising less than 7 billion euros. This process aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the management team.

Equities eligible for the French personal equity savings plan (Plan d'épargne en actions, PEA) represent at least 75% of the net assets at all times, which may, where applicable, focus on a limited number of stocks. The net assets may be exposed up to 10% to equities listed on international markets outside the European Union, including emerging markets, selected under the same conditions. Exposure to currency risk is limited to 25% of Fund assets.

The Fund is actively managed and the construction of the portfolio structure need not reflect the composition of the aforementioned benchmark index. Each company's weighting in the portfolio is thus fully independent of the same company's weighting in the benchmark, and it is possible that a company in the portfolio does not appear in this index or that a company well represented in it is excluded from the Fund's portfolio.

In addition to these equity investments, which represent the heart of the FCP's investment strategy, the management team may expose the net assets to the following financial instruments:

1. Bonds including convertible bonds and other Euro-denominated debt securities, without sector or regional restrictions, with a minimum rating of BBB-; exposure to these financial instruments may not exceed 25% of the Fund's net assets. This selection is also free of sector constraints, and it includes non-financial criteria, which lead to the selection of issuers with ESG criteria that are relevant to the overall analysis of issuer risk.

2. Money market instruments. The management team may thus expose up to 25% of the Fund's net assets to French treasury bonds (BTFs) and negotiable certificates of deposit (NCDs) of private issuers having their registered office in an OECD country and rated at least BBB or equivalent by the rating agencies (Standard & Poor's or equivalent Moody's and Fitch Ratings); these NCDs must have a residual life span of less than three months.

3. French or European UCITS, within the limit of 10% of the Fund's net assets. These investments may be carried out in line with the investment strategy (equity UCITS, mixed, bond funds) or in order to manage the Fund's cash flow (money market UCITS).
These UCIs have or are committed to having the SRI (Socially Responsible Investment) and/or Greenfin, and/or Finansol labels, codes or charters, whether French or foreign equivalent, within a year. The selection of the latter will take place without constraints as concerns SRI methodologies used by their respective management companies.

4. Financial futures traded on regulated and/or over-the-counter markets (CFDs) to hedge or increase the exposure of the portfolio to international equity markets, without exceeding portfolio exposure limits of the total value of the fund assets. The policy for the use of derivatives is consistent with the Fund's objectives and is consistent with its aim for a long-term perspective. It does not undermine the ESG selection policy in a significant or lasting manner. The use of financial derivatives is limited to techniques for efficient management of the portfolio of securities in which the Fund is invested. The Fund may not hold short positions in an asset selected as ESG according to its own ESG asset selection method.

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 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 used:

Equities:
Exposure to Eurozone equities varies between 60% and 100% of the Fund's net assets, with the portfolio remaining at least 75% invested, at all times, in equities eligible for the French personal equity savings plan (Plan d'épargne en actions, PEA).

The selection of these shares is carried out without any sector restrictions, but with a capitalisation restriction, as at least 51% of assets must be exposed at all times to the shares of companies representing less than 7 billion euros in capital.

The net assets may be exposed up to 10% to equities of companies listed on international markets, including emerging markets.

Debt securities and money market instruments:

The net assets may include between 0% and 25% bonds, including convertible bonds and other debt securities denominated in euros, from issuers with their registered office in a member country of the European Union, but securities from emerging countries are prohibited. Their selection is based on the credit quality of their issuers and the proposed yield, without reference to a portfolio sensitivity objective. To manage the Fund's cash, the portfolio may include negotiable debt securities. No investments pertaining to this asset category may exceed 25% of the fund's net assets. This may include public issuers (BTF) or private issuers (NCD) without any predetermined allocation constraints between these two categories.

Units or shares of UCIs:
The net assets of the Fund may include up to 10% units or shares of European UCITS or French UCIs which invest less than 10% of their assets in UCITS or other mutual funds. The Fund may also invest in money market funds in order to manage the Fund's cash flow, or equity, fixed income or diversified UCIs with a management strategy which complements that of the Fund and which contributes towards achieving the performance target. These UCIs are selected by the management team following meetings with the fund managers. The main investment criteria applied, apart from ensuring the strategies are complementary, is the sustainability of the target fund's investment process.
The Fund may invest in UCIs marketed or managed by Sycomore Asset Management or one of its subsidiaries, within the aforementioned limits.

Derivatives:
The Fund operates in all regulated and organised markets in France or in other countries. The Fund uses only futures instruments.

Futures and options strategies are intended either to hedge the portfolio against the downside risk in an underlying equity asset, or to increase portfolio exposure in order to capitalise on the upside in an underlying equity asset. These strategies contribute on an ancillary basis to the investment objective. These strategies nevertheless enable a fund manager anticipating a period of equity market weakness to reduce equity exposure (hedging strategy involving equity indices or certain stocks which the fund manager considers overvalued) or conversely, to increase portfolio exposure when the fund manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally. Foreign exchange derivatives may also be used to hedge exposure of the Fund or a category of unit to one currency or to adjust overall exposure of the Fund to foreign exchange risk.

Securities with embedded derivatives:
The Fund deals in financial instruments with embedded equity or fixed income derivatives.

The instruments used are: warrants, equity warrants, investment certificates, as well as bond-type securities with a conversion or subscription right including convertible bonds, bonds redeemable into new or existing shares and equity-warrant bonds.

These instruments are used in order to expose the portfolio to one or more companies that satisfy the selection criteria defined above. The aggregate total weight of these investments in the Fund portfolio shall not exceed 25% of its net assets.

The portfolio's off-balance sheet commitments shall not exceed the total value of the Fund's assets at any time. Total exposure to equity risk relating to off-balance sheet commitments and equity positions cannot exceed the total value of the Fund's assets. The portfolio's total exposure to equities therefore cannot exceed 100%.

Over-the-counter contracts: the Fund may enter into over-the-counter contracts in the form of "Contracts for Differences" (henceforth referred to as CFDs). The underlying components of CFDs are stocks or global equity indices. CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices. The portfolio's off-balance sheet commitments shall not exceed the total value of the Fund's assets at any time. If equity exposure increases through the use of derivatives or securities with embedded derivatives, it shall not exceed 100% and will therefore not lead to overexposure.

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

Use of deposits :
There are no plans to use deposits in connection with the management of the Fund.

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 or disposals of securities in relation to the management of the Fund.

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

3.2.5. Risk profile

- **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.

- **Equity risk,** due to exposure of between 60% and 100% to equity markets through investments in equities, equity-exposed UCIs, convertible bonds and financial derivative instruments with equity underlying assets. There is a risk that an investment market will decline or that the value of one or more shares will decline, due to a market shift. The net asset value may decrease if equity markets fall.

- **The risk incurred by investing in emerging markets**, as the fund may be invested up to 10% of its net assets in securities listed on emerging markets. Investment in emerging markets carries with it a high degree of risk due to the political and economic situation of these markets, which may affect the net asset value of the Fund. Their operating and monitoring conditions may deviate from the standards prevailing on the large international markets. In addition investing on these markets involves risks related to restrictions imposed on foreign investment, counterparties, higher market volatility, as well as increased liquidity risk.

- **The risk incurred from discretionary management:** as the management team may freely allocate Fund assets between the various asset classes. The discretionary management style is based on anticipating trends in various markets (equity, bond). There is a risk that the Fund will not be invested at all times on the best-performing markets and that this results in a drop in the net asset value of the Fund.

- **Fixed-income and credit risk:** due to the Fund's ability to hold fixed-income products, debt securities and money-market instruments up to 25% of its assets;
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).

- **The risk associated with holding convertible bonds**, through exposure of up to 25% of its net assets to convertible bonds. This is the risk that the value of one or more convertible bonds decrease, affected by the level of interest rates, changes in the price of the underlying equities or changes in the price of the derivative embedded in the convertible bond. In the event of a fall in the value of one or more convertible bonds, the net asset value may decrease.

- **Foreign exchange risk** as some eligible financial instruments may be listed in currencies other than the euro. In this regard, investor attention is drawn to the fact that the Fund is subject to foreign exchange risk of up to a maximum limit of 25% of its assets for French residents; Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Fund's benchmark currency, i.e. the Euro, which could then lead to a decrease in NAV.

- **Liquidity risk,** due to low market capitalisation of companies in which the Fund invests. To this end, investors are advised that the markets for small- and mid-cap companies are designed to receive companies which, because of their specific characteristics, may present risks for investors.
Liquidity risk is the risk that the number of securities bought or sold be less than the orders transmitted to the market, due to the low number of securities available on the market.

- **Counterparty risk**, the management team may enter into over-the-counter derivative contracts with financial institutions having their registered office in the European Union or in the United States and subject to the prudential supervision rules from authorities. This is the risk that a counterparty defaults and is no longer able to transfer the money due to the Fund as a result of a transaction, i.e. collateral deposits or realised gains. This risk is capped at a maximum of 10% of the portfolio per counterparty. In the event of a counterparty default, the Net Asset Value 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 modify their assessment 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.

Finally, up to 15% of the net assets of the Fund may be exposed to so called transformation companies, which means that they are not yet included in the 'best in universe' but are engaged in a verifiable process of improving their offering of products or services, or their practices.

- **Sustainability risks:** Due to climatic events that can result from climate change (physical risks) or a company's response to climate change (transition risks), which may have a negative impact on investments and the financial position of the fund. Social social events (e.g., inequality, inclusion, labour relations, investment in human capital, accident prevention, change in behaviour of clients, etc.) or governance instabilities (e.g., significant and recurring violation of international agreements, problems related to corruption, and the quality and safety of products, sales practices etc.) can also be sustainability risks. These risks are included in the investment process and monitoring of risks insofar as they represent potential or actual material risks and/or opportunities to maximise long-term returns. These risks are taken into account through the use of ESG criteria, and more specifically through our SPICE methodology. The consequences of the occurrence of a sustainability risk are numerous and vary according to the specific risk, the region, and the asset class. For example, where a sustainability risk exists for an asset, it will negatively impact its value, and may lead to a total loss of the asset.

3.2.6. Guarantee or protection

None

3.2.7. Target investors and target investor profile

Unit Classes I and ID are 'clean shares' and are intended for 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 management services under mandate or investment advice on an independent basis within the meaning of Directive 2014/65/EC, for which providers of these services are not allowed to accept and retain fees, commissions or any other monetary and non-monetary benefits paid or provided by the management company or the marketing agent of the Fund (units known as clean share units).

Unit Class X is more specifically intended for UCIs by Sycomore Asset Management or its subsidiaries.

Z units are available to all 'eligible counterparty' subscribers within the meaning of Directive 2004/39/EC and subscribers who are 'professional investors' within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to the prior approval of the management company.

Other share classes are available to all subscribers. Because of the substantial risk associated with an investment in equities, this Fund is primarily intended for investors who are prepared to accept the significant fluctuations inherent in equity markets and with a minimum investment horizon of five years.

Furthermore, given the predominance of small-cap companies within the portfolio, we wish to call the attention of investors to the fact that the markets for small and medium capitalisation companies is intended to receive companies that, due to their specific characteristics may present substantial risks.

The amount that is reasonable to invest in this UCITS depends on your personal situation. To determine this, you should take into account your personal wealth, your current needs, and your needs over the next five years, as well as your willingness to take risks or to prefer a prudent investment. It is also highly recommended that you diversify your investments sufficiently so as not to expose them solely to the risks of this UCITS.

The units in this 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 U.S. authorities under the US Securities Act of 1933. Consequently, they may not be offered or sold, directly or indirectly, in the United States or on behalf or for the benefit of a 'U.S. Person' within the meaning of Regulation S.

3.2.8. Calculation and allocation of distributable sums

Unit Classes A, I, R, X, and Z: Full accumulation of the net income and of the net realised capital gains.
Unit Class ID: Distribution, in whole or in part, in accordance with the conditions set out in article 9 of the Fund Regulation.
The management company shall decide each year on the allocation of distributable sums.

Distribution frequency: annual, with the possibility of quarterly interim distribution.

3.2.9. Unit Class characteristics

Unit Class	ISIN Code	Allocation	Base Currency	Target investors	Minimum subscription

		of distributable sums			
A	FR0010376343	Accumulation	EUR	All	None
I	FR0013303534	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).	None
ID	FR0013527983	Accumulation and/or Distribution	EUR	'Eligible counterparty' subscribers within the meaning of Directive 2004/39/EC, 'professional investor' subscribers within the meaning of article 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 providers of these 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 promoter of the Fund (clean share class).	None
R	FR0010376368	Accumulation	EUR	All	None
X	FR0010865980	Accumulation	EUR	All investors, especially mutual funds managed by SYCOMORE AM or by its subsidiaries	None
Z	FR0014006PX1	Accumulation	EUR	‘Eligible counterparty 'subscribers within the meaning of Directive 2004/39/EC and’ professional investor' subscribers within the meaning of article I of Annexe II of Directive 2014/65/EC, subject to prior approval by the Management Company.	None

3.2.10. 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 through IZNES on each NAV calculation day (D) at 12:00 pm. These orders are then executed on the basis of the NAV calculated on the following business day (D+1) at a then-unknown price. The resulting payments are made on the second following business day (D+2).
In summary, subscription and redemption orders are executed in accordance with the table below, unless a specific time limit is applicable is agreed with your financial institution:

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

Subscription and redemption orders may be expressed in a fractionalised number of units or in cash value.

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 instrumentsinstruments.

NAV calculation date and frequency: The net asset value is determined each day the Euronext markets are open, with with the exception of legal public holidays in France (D). NAV is calculated on the following business day (D+1), based on market closing prices from the previous day (D). Unit holders may obtain information concerning the total assets of the Fund directly via the Sycomore Asset Management website (www.sycomore-am.com) or by telephone 01.44.40.16.00.

A swing pricing mechanism has been set up by the Management Company as part of the Fund's valuation (with an effective date of 31-12/2023). For more information on the mechanism, please refer to the Asset valuation rules section.

Place and methods of publication or communication of net asset value: The net asset value is available upon request from Sycomore Asset Management and on its website (www.sycomore-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 unit 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 unit holders 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.

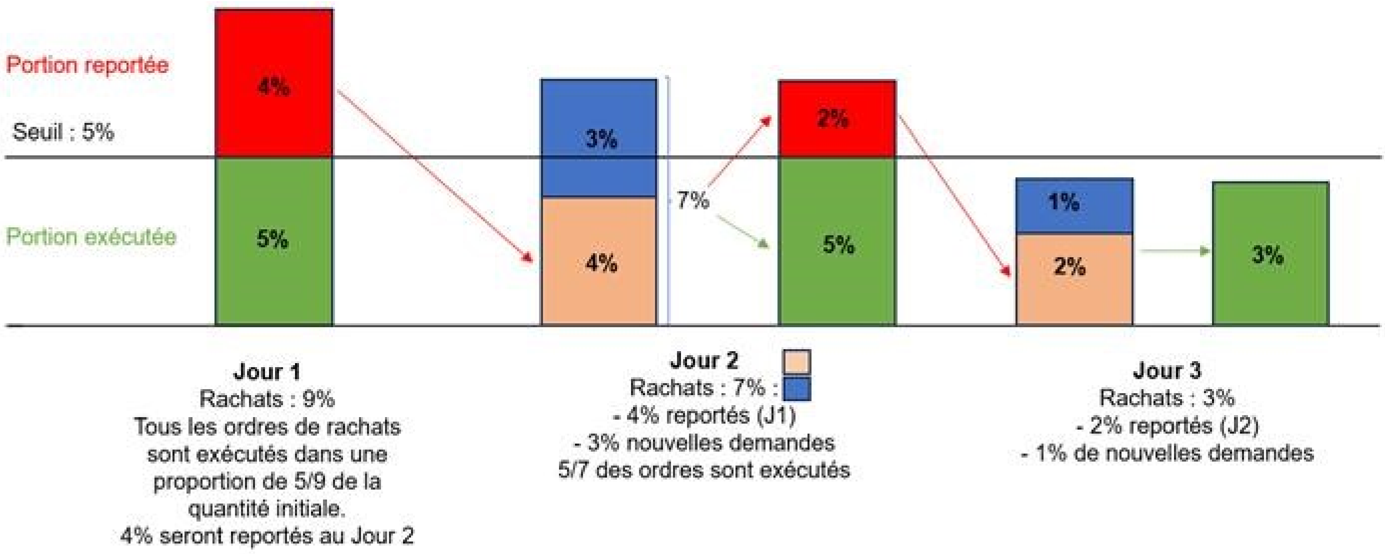
Consequently, the number of units to which the redemption is carried out is equal, for a given unit holder, to the initial number of units to which the redemption has been requested multiplied by the Reduction Coefficient, this number of units being rounded up to the larger fraction of units.

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.

3.2.11. Fees and Charges

Entry and exit charges: Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the fund serve to offset the costs incurred by the fund to invest or disinvesting the assets entrusted. Non-retained charges are attributed to the asset management company, the marketing agent, etc.

Charges to be borne by the investor, levied on subscriptions and redemptions	Basis	Rate					
		Unit Class A	Unit Class I	Unit Class ID	Unit Class R	Unit Class X	Unit Class Z
Subscription fee not kept by the Fund	Net Asset Value multiplied by the number of units subscribed	5% maximum rate			3%	10% maximum rate	

			maximum rate
Subscription fee kept by the Fund	Net Asset Value multiplied by the number of units subscribed	None	
Redemption fee not kept by the Fund	Net Asset Value multiplied by the number of units redeemed	None	
Redemption fee kept by the Fund	Net Asset Value multiplied by the number of units redeemed	None	

Exoneration case: In the event of a redemption followed by a subscription on the same day, for the same amount and in the same account, based on based on the same net asset value, no subscription or redemption fee will apply.

Operating and management charges: These fees include all the expenses invoiced directly to the UCITS, except for execution fees. Execution fees, include intermediation expenses (brokerage, stock market taxes, etc.) and the transaction fee, if applicable, which may be received in particular by the depositary and the Management Company. The following may be payable in addition to the operating and management charges:

- performance fee. 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 information document.

Fees charged to the Fund	Basis	Rate					
		Unit Class A	Unit Class I	Unit Class ID	Unit Class R	Unit Class X	Unit Class Z
Financial management and operating charges and other services	Net assets	Maximum annual rate (including tax)					
		1.50%	1.00%		2.00%	1.00%	0.10%*
Transfer commissions collected by the management company	Charge on each transaction	None					
Transfer fees charged by the custodian	Charge on each transaction	None					
Performance fee	Net assets	15% including tax above the index MSCI EMU SMID CAP Net Return (with dividends reinvested)				None	

* The fee structure of Unit Class Z is contractually determined between the investor and the management company. The rate indicated is a minimum rate which may be supplemented by agreement between the management company and the investor.
These fees shall be booked directly to the Fund's profit and loss account.

Performance fee: From 1 July 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 a notional UCI, achieving 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 observation period will begin with a period of twelve months beginning on 1 July 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 15% 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 year ending 30 June 2023.

Intermediary selection: Sycomore Asset Management has entrusted the trading of orders to Sycomore Market Solutions. Sycomore Market Solutions receives orders sent by the management company on behalf of the Fund and ensures the transmission to market intermediaries and counterparties with its primary mission being to search for the best execution possibility for such orders. Sycomore Market Solutions is an investment firm authorised by the Autorité de Contrôle Prudentiel et de Résolution for the purpose of providing the service of receiving and transmitting orders on behalf of third parties.

For further information, unit holders may refer to the annual management report.

4. COMMERCIAL INFORMATION

Distributable sums are paid when applicable no more than five months after the close of the financial year for the Fund.

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

The information concerning the UCITS is provided by Sycomore Asset Management to your usual financial intermediary, who has the obligation to ensure that said information is distributed to clients.

The management company's voting policy and the report reflecting the conditions governing the exercise of 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.

Information on ESG criteria taken into account by the UCITS is available on Sycomore Asset Management's website (www.sycomore-am.com).

Sycomore AM's shareholder commitment policy and the latest report on the implementation of this policy are available on our website: www.sycomore-am.com.

Furthermore, information about the fund may be obtained directly via Sycomore Asset Management's website (www.sycomore-am.com) or by calling our Investor Relations Department at +33 (0)1.44.40.16.00.

The management company may pass on the composition of the UCI's portfolio to its investors within a period that may be less than 48 hours after the publication of the net asset value, only for calculation needs concerning regulatory requirements related to Directive 2009/138/EC (Solvency 2). Each investor who wishes to benefit from this must have in place procedures for the management of this sensitive information prior to the transmission of the composition of the portfolio so that it will be used only to calculate the prudential requirements.

5. INVESTMENT REGULATION

The Fund complies with the investment rules applicable to UCITS under Directive 2009/65/EC maximum investment 10% of their assets in units or shares of UCITS as well as in UCITS of the 'Eurozone equities' category as set out in the General Regulation of the French Autorité des marchés financiers.

6. OVERALL RISK

The overall risk of the Fund, serving to account of increased risk associated with the use of derivative instruments, is carried out according to the Commitment Calculation Method.

7. ASSET VALUATION PRINCIPLES

7.1 Asset valuation rules

Financial instruments and securities traded on a French or foreign regulated market are valued at market price.
However, the following instruments are valued according to the following specific methods:

• financial instruments not traded on a regulated market are valued under the responsibility of the management company at their likely trading value.

• units or shares in UCITS are valued at their last known net asset value.

• negotiable debt securities and similar instruments that are not part of material transactions are valued using an actuarial method, the rate used being The rate of issues of equivalent securities affected, where applicable, a spread representative of the intrinsic of the security issuer. However, the negotiable debt securities with a residual maturity of three months or less and in the absence of any particular sensitivity may be valued according to the commitment method. The conditions for applying these rules are set by the management company. They are listed in the notes to the annual financial statements.

• transactions involving forward financial instruments or options traded on organised French or foreign markets are valued at market value under the conditions set out by the management company. They are set out in the notes to the annual financial statements.

• futures, options or swap transactions carried out on OTC markets, authorised by the regulations applicable to UCITS, are valued at their market value or at a value estimated according to methods laid down by the management company and set out in the notes to the annual financial statements.

Financial instruments whose price has not been noted on the valuation date or whose price has been adjusted are valued at their probable trading value, for which the Management Company. These valuations and their justification are communicated to the statutory auditor when controls are carried out. The accounting currency of the UCITS is the euro.

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

Sycomore Asset Management has decided to implement a swing pricing mechanism, effective as at 31/12/2023, to protect the UCITS and its long-term investors from the impact of large 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 the 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, or upon request from the Management Company. Swing pricing is at the discretion of the management company in accordance with Sycomore Asset Management's Swing Pricing Policy.

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, Sycomore Asset Management has at all times its own estimate of the financial assets of the Fund, carried out using many sources of financial data that it has available to it (Reuters, Bloomberg, market counterparties, etc.).

It is therefore always possible, in case the administative and accounting delegatee is unable to value the assets of the Fund, to provide it with the information necessary for this valuation, in which case the statutory auditor is informed as soon as possible.

7.4 Accounting method

The method of accounting selected for recording income from financial instruments is the collected coupon method. The method of accounting selected for recording execution fees is "excluded expenses".

8. REMUNERATION POLICY

In accordance with the regulation resulting from Directives 2011/61/EC ('AIFM') and 2014/91/EU ('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 effective risk management of both the managed portfolios and the management company, taking into account the nature, scope and complexity of Sycomore AM's activities. It is based in particular on the allocation of sufficiently high fixed remuneration and bonuses whose allocation and payment modalities promote the alignment of long-term interests. Details of this remuneration policy are available on our website, 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 10 December 2003, except in the cases of early dissolution or extension provided for under 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 documentand 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;
- bear different entry and exit charges;
- have a different nominal value.

Units may be consolidated or split.

The board of directors of the management company may elect to split units into 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

Units may not be redeemed if the Fund’s (or sub-fund's) assets fall below €160,000; when the assets remain below this amount for a period of thirty days, the management company shall make the necessary provisions to liquidate the Fund concerned, or to carry out one of the transactions mentioned in Article 411-16 of the AMF’s General Regulation (transfer of the UCI).

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

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.

Fund units may be listed 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 accepted, the securities shall be valued on the basis of the procedures 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 custodian within a maximum of five days following unit valuation.

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 holders, or from 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.

When the net assets of the Fund are lower than the amount set by the regulations, no redemption of shares may take place. 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.

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.

The UCITS may cease to issue units in application of the third paragraph of article L. 214-8-7 of the French Monetary and Financial Code, either temporarily or definitively, partially or totally, 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 expiration of a specified subscription period. The trigger of this tool will be the subject of a communication by any means to the existing unit holders concerning its activation, as well as the threshold and objective situation that led to the decision to partially or completely close down the fund. In the case of partial closure, this communication by any means will explicitly indicate the terms and conditions according to which existing unit holders may continue to subscribe for the duration of this partial closure. The unit holders shall also be informed by any means of the decision of the UCITS or the management company either to end closure of subscriptions in full or in part (when passing the trigger level), or not closing them (in case 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. Communication by any means shall specify the exact reasons for these changes.

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.

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.

The management company will act in the sole interest of the unit-holders under all circumstances and shall have sole authority to exercise the voting rights attached to securities held by 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 units 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. It is responsible for ensuring that decisions made by the asset 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 will inform the French Financial Markets Authority (Autorité des Marchés Financiers, AMF).

Article 7 - Statutory auditor

A statutory auditor is appointed for a term of six financial years, with the approval of the Autorité des marchés financiers, by the Management Company's governance bodies. It certifies the legality and the fair presentation of the financial statements. The statutory auditor's term may be renewed.

The statutory auditor is required to report to the Autorité des marchés financiers (French financial markets authority), as soon as possible, any fact or any decision concerning the UCITS of which they has become aware in carrying out its mission, which:

• would constitute a violation of any law or regulatory requirements applicable to this UCITS and likely to have a material impact on its financial position, income or assets;
• to undermine the conditions or continuity of its operation;
• to result in the expression of reservations or the refusal of certification of the financial statements.

The valuation of assets and determination of exchange parities, merger, transfer, or split operations are carried out under the supervision of the statutory auditor. The statutory auditor shall assess any contribution in kind under their liability statement. The statutory auditor monitors the composition of assets and other elements of information prior to publication. The statutory auditor's fees are determined by mutual agreement between the latter and the Board of Directors of the management company in relation to work programme specifying the work deemed necessary. The statutory auditor certifies positions serving as the basis for distribution of interim dividends. Their 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. All of the above documents are reviewed by the statutory auditor.

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 INCOME AND DISTRIBUTABLE SUMS

Article 9 – Terms and conditions of allocation of 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 consist of:

1- Net income plus retained earnings plus or minus the balance of accrued income;
2- Realised capital gains, net of expenses, minus realised capital losses, net of expenses, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years that were not distributed or accumulated and reduced or increased by the balance of the capital gains accrual account.

The amounts stated in points 1 and 2 may be distributed, either entirely or partially, independently of one another. The management company shall decide on the appropriation of

distributable amounts. Where applicable, the Fund may choose one of the following options for each unit class:
- accumulation: distributable amounts are fully accumulated with the exception of those on which obligatory distributions by law;
- distribution (with the possibility of interim distribution):
◦ of all distributable sums (all amounts mentioned in points 1 and 2) to the nearest rounded figure;
◦ distributable sums mentioned in point 1 to the nearest rounded figure;
◦ distributable sums mentioned in point 2 to the nearest rounded figure;
- for funds which wish to choose whether to accumulate and/or distribute all or part of the distributable amounts, the management company decides each year on the appropriation of distributable amounts mentioned in points 1 and 2 with the possibility of interim distributions.

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.

The fund's extension may be decided by the management company in agreement with the depositary. Its decision must be made at least 3 months before the expiry of the term of the Fund and the unit holders and the Autorité des Marchés Financiers are informed.

Article 12 - Liquidation

In the event of dissolution, the management company shall be responsible for the liquidation process. The liquidation operations may be entrusted to the depositary with their consent. The management company or, where applicable, the depositary are vested, for this purpose, with the broadest powers to dispose of the assets, pay any creditors and distribute the available balance to unit holders in the form of cash or securities. The statutory auditor and the depositary shall continue to carry out their functions until the end of the liquidation operations.

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.

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 Midcap

Legal entity identifier: 969500I6RNYMWEBQLS07

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 make a minimum of **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 **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

As noted in the prospectus, the Fund's aim is to outperform the benchmark, MSCI EMU SMID Cap Net Return, over a period of five years, according to a multi-thematic socially responsible investment process linked to the United Nations Sustainable Development Goals (SDGs).

The investment process draws on our 'SPICE' research framework and our societal and environmental contribution indicators.

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?***

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

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[1] 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**[2] **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[3]:** 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[4]** 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[5] (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

[1] Further information is available on the website, which can be found at the end of this document
[2] Ibid
[3] Ibid
[4] Ibid
[5] Ibid

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).

- **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.**

At product level:

- Net Environmental Contribution;
- Societal Contribution of products and services.

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.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social 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[6]:** 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[7]:** 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[8]**: 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.

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.

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

[6] Further information is available on the website, which can be found at the end of this document
[7] Ibid
[8] 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[9] (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[10]) and, on the other hand, the Science-Based Initiative to Align Temperatures with 2° C (SB2A[11]). 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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[9] https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/the-fifth-assessment-report-of-the-ipcc?gclid=CjwKCAjw7p6aBhBiEiwA83fGupjyovLRq1NKs9o5UtIotAQQcswzZD30tofiDkgryZ8SlJHtnG5y4BoCEiwQAvD_BwE

[10] https://sciencebasedtargets.org/

[11] 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.

<u>SPICE rating</u>:

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

The Fund's investment strategy is based on a net asset exposure of 60% to 100% to Eurozone equities. These shares are selected based on a thorough fundamental analysis of companies, without sector restrictions but with a capitalisation constraint, with 51% of net assets at all times exposed to shares of companies capitalising less than 7 billion euros. This process aims to identify quality companies whose market valuation is not representative of their intrinsic value as determined by the management team.

The 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 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 Fund's investment universe is defined according to a minimal SPICE rating (3/5), 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?

Two main filters, one of exclusion and the other of selection, are used.

- **Selection filter**: the net assets of the Fund will be exposed from 70% to 100% to listed equities of companies whose activities contribute to sustainable development opportunities. Such companies can be of any of the following four categories:
  i. **Social contribution**: Companies that have a social contribution rating greater than or equal to +10% within the Society & Suppliers pillar of our SPICE methodology.
  ii. **Environmental contribution**: Companies with an NEC (Net Environmental Contribution) rating greater than or equal to +10% within the Environment pillar of our SPICE methodology.

iii. **SPICE leadership**: Companies with a SPICE rating above 3.5/5, reflecting our analysis of best practices in terms of sustainable development.

iv. **SPICE transformation**: For up to 15% of net assets, companies with,

a) cumulatively: (i) a **SPICE rating** between 3 and 3.5/5;

b) a **fundamental transformation strategy** in sustainable development (supply of products or services, or changing practices). The Fund is therefore tasked with supporting the environmental, social, societal, and governance transformation of these companies. The areas for improvement identified by the management company must be satisfied within a maximum period of two years.

- **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:

i. it is involved in activities identified in the Sycomore AM SRI **exclusion policy** for their controversial social or environmental impacts, or

ii. it obtained a **SPICE rating** below 3/5, or

iii. it is concerned by a **level 3/3 controversy**.

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

- Net Environmental Contribution;
- Societal Contribution of products and services.

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?

The eligible investment universe of the Fund is reduced by at least 20% compared to the initial universe, i.e. equities listed on European Union markets.

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

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

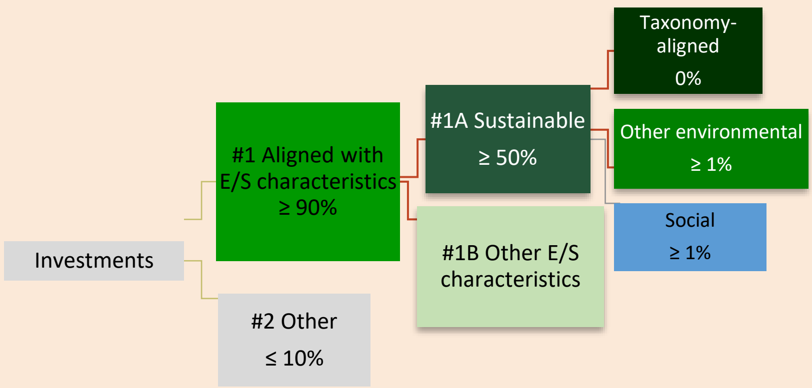
Governance is part of the SPICE analysis, including a section dedicated to governance (section 'G') in section 'I,' which has a significant focus on the management structures and governance elements integrated in the other parts of the analysis framework, including employee relations and compensation 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.

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?

Asset allocation describes the share of investments in specific assets.

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.



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.

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 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 help accomplish 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.

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.

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.

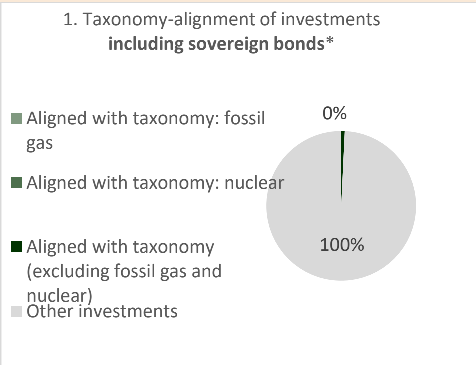
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[12]?

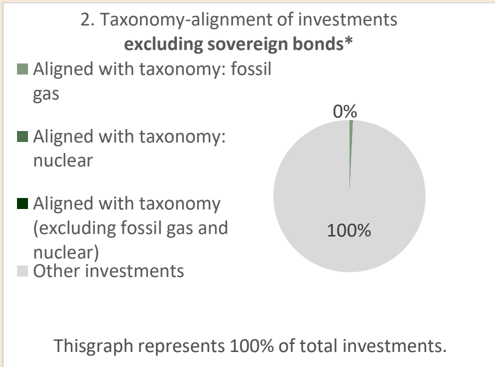
☐ Yes:

☐ 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

[12] 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.

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.

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.

Bonds, other international debt securities and short-term negotiable securities from public issuers 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 rate), the Country being thus considered as sufficiently favourable to sustainable and inclusive development.

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.

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

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, which is only used to evaluate performance, is a broad market index.

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/5/sycomore-selection-midcap