SYCOMORE FRANCECAP

Prospectus
01/10/2022

UCITS under the European Directive 2009/65/EC

1. GENERAL CHARACTERISTICS 4

1.1 UCITS features 4
1.2 Name 4
1.3 Legal form and Member State in which the UCITS was created 4
1.4 Inception date and expected term 4
1.5 Fund overview 4
1.6 The latest annual report and interim statement can be obtained as follows: 4

2. STAKEHOLDERS 5

2.1 Management Company 5
2.2 Depositary and custodian 5
2.3 Delegated institution in charge of the centralisation of subscription and redemption orders 5
2.4 Fund unit registrar 5
2.5 Statutory Auditor 5
2.6 Marketing Agents 6
2.7 Delegated fund accountant 6
2.8 Institution responsible for receiving and transmitting orders from the management company 6

3. OPERATING AND MANAGEMENT PROCEDURES 7

3.1 General features 7
3.1.1. Unit Class characteristics 7
3.1.2. Accounting year-end 7
3.1.3. Tax regime 7
3.1.4. Information on SRI certification 7
3.2 Specific provisions 7
3.2.1. ISIN Codes 7
3.2.2. Classification 7
3.2.3. Investment objective 7
3.2.4. Benchmark 7
3.2.5. Investment strategy implementation 8
3.2.6. Risk profile 11
3.2.7. Guarantee or protection 13
3.2.8. Target investors and target investor profile 13
3.2.9. Income calculation and allocation 14
3.2.10. Unit Class characteristics 15
3.2.11. Conditions for subscribing and redeeming shares: 15
3.2.12. Fees and Charges 16

4. COMMERCIAL INFORMATION 18

5. INVESTMENT REGULATION 18

6. OVERALL RISK 18

7. ASSET VALUATION PRINCIPLES 18

7.1 Asset valuation rules 18
7.2 Alternative assessment procedures in case the financial data is unavailable 19
7.3 Accounting method 19

8. REMUNERATION POLICY 19

9. TERMS AND CONDITIONS 20

ASSETS AND UNITS 20
Article 1 - Fund units *20*
Article 2 - Minimum assets *20*
Article 3 - Issue and redemption of units *20*
Article 4 - Calculation of the Net Asset Value *21*
FUND OPERATION 21
Article 5 - The Management Company *21*
Article 5a - Operating rules *21*
Article 5b — Listing on a regulated market and/or a multilateral trading facility *21*
Article 6 — Depositary *21*
Article 7 - Statutory auditor *21*
Article 8 – The financial statements and management report *22*
TERMS AND CONDITIONS OF ALLOCATION OF INCOME AND DISTRIBUTABLE SUMS 22
Article 9 – Terms and conditions of appropriation of income and distributable sums *22*
MERGER – SPLIT – DISSOLUTION – LIQUIDATION 22
Article 10 - Merger & De-merger *22*
Article 11 - Dissolution & extension *22*
Article 12 - Liquidation *23*
DISPUTES 23
Article 13 - Competent courts & Choice of jurisdiction *23*

1. GENERAL CHARACTERISTICS

1.1 UCITS features

French Fonds Commun de Placement (FCP)

1.2 Name

Sycomore Francecap.

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

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

1.4 Inception date and expected term

The Fund was created on 30 October 2001, for a term of 99 years as of that date.

1.5 Fund overview

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
I	FR0010111724	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).	€100
A	FR0007065743	Accumulation	EUR	All	€100
R	FR0010111732	Accumulation	EUR	All	€100
ID	FR0012758720	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 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).	€100
S	FR0013112760	Accumulation	EUR	All	€30,000,000 (initial subscription only)

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

2.2 Depositary and custodian

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

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

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

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

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

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

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either by:
  - using the permanent measures implemented in order to manage conflicts of interest, such as the segregation of duties, the split between the functional and hierarchical reporting lines, the monitoring of internal insider lists, and dedicated IT environments
  - Implementing on a case-by-case basis:
    - Appropriate preventive measures, such as the creation of ad hoc monitoring, new "Chinese walls", or checking that transactions are processed in an appropriate way and/or informing the relevant clients
    - Or refusing to manage the activities that could give rise to conflicts of interest.

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

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

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

2.3 Delegated institution in charge of the centralisation of subscription and redemption orders

BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution) 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.

2.4 Fund unit registrar

BNP Paribas SA. Establishment approved by the French Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution) 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.

2.5 Statutory Auditor

KPMG Audit, a department of KPMG SA, with its registered office at 1 Cours Valmy, 92923 Paris La Défense Cedex, France, represented by Gérard Gaultry.

2.6 Marketing Agents

Sycomore Asset Management and its subsidiaries. The list of marketing agents is not comprehensive insofar as the investment fund is listed on Euroclear. Therefore some marketing agents may not be mandated by, or known to the management company.

2.7 Delegated fund accountant

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

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

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

3. OPERATING AND MANAGEMENT PROCEDURES

3.1 General features

3.1.1. Unit Class characteristics

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

Securities administration: the various units are listed on Euroclear France. Fund unit administration is provided by BNP Paribas SA, whose registered offices are located at 16 boulevard des Italiens, 75009, Paris, France. Postal address: 9 Rue du Débarcadère, 93500 Pantin, France, registered with the Trade and Companies Register of Paris under number 662 042 449.

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

Form of units: bearer.

Subdivision of units: Fund units are decimalised in hundred-thousandths (e.g. 100.00000). Subscription and redemption orders may be expressed in number of units (whole numbers or decimal fractions) or in cash value.

3.1.2. Accounting year-end

Last trading day in June (starting from 30 June 2007). The closing date of the first financial year was the last trading day in December 2002.

Transitional provisions: as there was a requirement to adjust the closing date of the Fund's accounting year from December to June, the Fund held a transitional accounting year that was shortened on a one-time basis to a period of six months, from 1 January 2007 to 29 June 2007.

3.1.3. Tax regime

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

French personal equity savings plan eligibility (PEA): This fund is eligible for the PEA.

3.1.4. Information on SRI certification

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

3.2 Specific provisions

3.2.1. ISIN Codes

Unit Class	ISIN Code
I	FR0010111724
A	FR0007065743
R	FR0010111732
ID	FR0012758720
S	FR0013112760

3.2.2. Classification

French Equity.

3.2.3. Investment objective

The aim is to outperform the CAC All-Tradable NR benchmark (dividends reinvested) over a period of five years, according to a multi-thematic socially responsible investment process linked to the United Nations Sustainable Development Goals (SDGs), while complying with the standards set for French personal equity savings plans (Plans d'Epargne en Actions, PEAs).

This objective complies with the provisions of article 9 of the SFDR (Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector).

3.2.4. Benchmark

CAC All-Tradable NR (dividends reinvested). This index is the largest on the Paris Stock Exchange, and includes the main securities listed in France. It is denominated in euros and calculated with dividends reinvested.

The director of the CAC All Tradable NR index is Euronext. of administrators and benchmark indices maintained by the ESMA. Additional information about this index is available at: Additional information about this index is available at: https://www.euronext.com/fr/products/indices/FR0003999499-XPAR/market-information?page=1.

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

3.2.5. Investment strategy implementation

Description of strategies used:

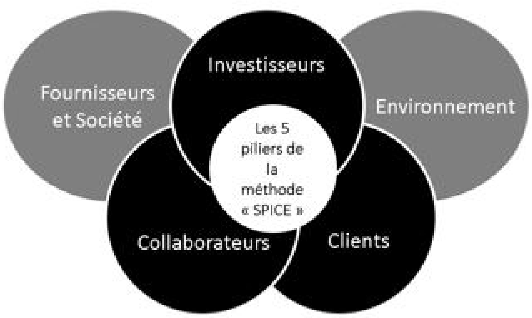
The Fund invests at least 75% of its assets in PEA (French personal equity savings plan) eligible equities.

Investments are selected on the basis of a strict analysis of corporate fundamentals. The selection process aims to identify those companies meeting quality standards (on the basis of their management teams, business model sustainability, and financial structure consistency) and to detect value (based on the differential between the intrinsic value as calculated by the management team and market value).

These securities are selected without sector or capitalisation size constraints, while respecting the following geographical restrictions:

- in accordance with the regulations relating to the French personal equity savings plan (PEA), at least 75% of the assets will be invested in European Union securities;
- French securities will represent at any time at least 60% of the Fund's assets.

ESG (Environment, Social, Governance) analysis is a component that is fully integrated into the fundamental analysis of companies in our investment universe, conducted according to our proprietary analysis and rating methodology, ' SPICE'. 'SPICE' is the English acronym for our methodology used for global, financial and non-financial analysis, presented in the diagram below (Suppliers & Society, People, Investors, Clients, Environment). It aims in particular to understand the distribution of value created by a company among all its stakeholders (investors, environment, clients, employees, suppliers and civil society), in our conviction that equitable sharing of value among stakeholders is an important factor in the development of a company.



As an example, the following criteria are used for non-financial analysis:

* Society & Suppliers: Societal contribution of products and services, societal contribution through employment, citizen behaviour (ethics, respect for human rights, responsible taxation, etc.), control of the subcontracting chain and balance of supplier relations, etc.

The assessment of the alignment of the company's activities with major societal issues is based on a proprietary 'Societal contribution of products and services' metric, which evaluates the company's contribution through its business model. Major societal issues were synthesised into three pillars: Access & Inclusion, Health & Safety, Economic & Human Progress; The calculation aims to determine the contribution of the activities to societal transitions, according to a rating scale of -100% to +100%.
The Social Contribution of the products and services is the sum of the positive and/or negative contributions of a company's products and services to the 3 pillars (Access & Inclusion, Health & Safety, Economic & Human Progress). For further information on our 'Social contribution to products and services' methodology, visit: https://www.sycomore-am.com/5f804036-Strategie_capital_societal_et_principes_methodologiques_VF.pdf
The evaluation of societal contribution through employment is based on The Good Jobs Rating, a metric developed in partnership with The Good Economy, evaluates a company's overall ability to create high quality, sustainable employment opportunities for all, particularly in regions - countries and territories - where employment is relatively limited and therefore necessary to ensure sustainable and inclusive development. For more information on The Good Jobs Rating methodology, visit: https://www.sycomore-am.com/5feaf873-5f241b17-Sycomore_AM_The_Good_Jobs_Rating_Methodologie_FROK.pdf

* People: employees - development at work, training, health and safety, absenteeism, turnover, company culture and values, restructuring management, evaluation of the labour climate, pay equity, diversity, etc.

* Investors: strength of the business model, competitive positioning, growth levers, governance, strategy, consideration of the interests of the different stakeholders of the company, quality of financial communication, etc.

* Clients: market positioning, distribution methods, client relations, digitalisation, digital rights and protection of personal data, product safety, etc.

* Environment: level of integration of environmental challenges in the managers' vision, strategy, and corporate culture, environmental performance of sites and operations, transition risk assessment, exposure to medium- and long-term physical environmental risks, etc.

The evaluation of the transition risk is based on a specific proprietary metric called 'NEC', acronym for 'Net Environmental Contribution'. The calculation of a company's NEC aims to determine the contribution of its activities to the Ecological transition, based on a rating scale of -100% to +100% determined by the more or less negative or positive impact of the company's activities on the environment. It follows an approach integrating Life Cycle Analysis upstream (supply chain) and downstream (use of products and services). For more information on our methodology, visit: https://nec-initiative.org/

Our SPICE methodology also contributes to the Sustainable United Nations Sustainable Development Goals (SDGs). Within the People pillar, our approach to measuring human capital in a company refers explicitly to SDG numbers 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, societal contribution assessment is the societal SDGs. Within the Environment pillar, the Net Environmental Contribution ('NEC') evaluation analysis of 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 application of this methodology leads to the allocation of a SPICE rating between 1 and 5 (5 being the highest). This rating impacts the risk premium of the companies and therefore their price target goal resulting from valuations carried out by our analyst-manager team. The SPICE analysis always concerns at least 90% of the Fund's net assets (excluding cash). Moreover, the investment universe of the Fund is constructed on the basis of specific criteria that bcome from SPICE. Issuers must therefore successfully pass pass two successive filters (as illustrated by the diagram below) for inclusion in the Fund's eligible investment universe:

♦ A primary ESG risk exclusion filter: its objective is to exclude any company presenting risks in terms of terms of sustainable development. The identified risks include insufficient non-financial practices and performance that are likely to negatively impact competitiveness of companies. A company is thus excluded if (i) it is involved in activities identified in our exclusion policy for their controversial social or environmental impacts, or (ii) if it obtained a SPICE rating below 3/5.

♦ A filter for selecting the main ESG opportunities: its objective is to promote companies with sustainable development opportunities divided into four subsets:

1. Companies that have a SPICE rating higher than 3.5/5, according to our analysis reflect best practices in terms of sustainable development.

2. Companies attesting to a societal contribution rating of products and services greater than or equal to +10% in the Society & Suppliers pillar of our SPICE methodology; or

3. Companies attesting to an NEC rating (Net Environmental Contribution) that is greater than or equal to +10% in the Environment pillar of our SPICE methodology.

4. Within the limit of 25% of net assets, companies that cumulatively have (i) a SPICE rating between 3 and 3.5/5, (ii) an asserted strategy of profound transformation in sustainable development (offer of products or services offerings, or changes in its practices). The fund then aims to support environmental, social, societal and governance social, societal and corporate governance of these companies. ESG areas for improvement identified by the management company must be satisfied within a maximum period of two years. The limit of 25% of net assets aim to maintain a selectivity level greater than 20% at any time.

The Fund's eligible investment universe is thus reduced by less than 20% compared to the initial universe, i.e. equities listed on the French market and subject to an actual ESG analysis by Sycomore AM.

In addition, the Management Company will focus on monitoring the following relevant ESG indicators:
- Environmental contribution (NEC)
- Societal contribution of products and services

The selection of the ESG indicators above aims to achieve a better performance than the sub fund's benchmark.

The investments underlying this fund do not take into account the European Union's criteria for environmentally sustainable economic activities.

Our methodology combines the following socially responsible investment approaches in a systematic way:

✓ Environmental, social and governance (ESG) integration
ESG analysis is systematically included in the process of process.
✓ Exclusion
As part of our Socially Responsible Investment Investment approach, the SRI exclusion policy is an additional tool which ensures that no investment is carried out in activities that have an actual negative impact on society or the environment. For example, the following are excluded: Coal companies (extraction and energy production), tobacco, weapons or companies that carry out activities that violate one of the principles of the United Nations Global Compact. The rate of selectivity within the investment universe is at least 20%. More detailed information is available on our SRI Exclusion Policy available on our website www.sycomore-am.com

✓ Theme
The FCP favours themes such as the energy the circular economy, health, nutrition and well being, digital and communication.

✓ Shareholder engagement
The commitment is to encourage companies to improve their environmental, social and governance (ESG) over the long term, through dialogue that is constructive and and long term monitoring. This commitment is based on the conviction that good ESG practises are capable of promoting sustainable business performance and creating value for our clients. This commitment is realised through draft resolutions, and more generally through dialogue with issuers. As in the Best-effort approach the issuers selected may not be the best issuers in terms of ESG. More detailed information is available in our Engagement Policy available on our website, www.sycomore-am.com

✓ Best in universe:
This approach aims to select and weight the best issuers in the investment universe and could lead to excluding certain sectors for which the sustainable development to sustainability is not enough, compared to issuers in other sectors represented in the investment universe.
✓ Best effort:
This approach allows investment in companies demonstrating visible efforts in terms of sustainable development, though they are not yet among the best companies in the investment universe in terms of ESG, up to the limit of 15% of net assets. These companies are subject to an analysis process and monitoring identical to the companies in the 'Best-in-universe' approach and respect the same ESG selection criteria as the 'Best-in-universe' approach. But while companies in the 'Best-in-universe' approach are in the first and second quartile of the investment universe, the companies in the Best-Effort approach will be in the third quartile of the investment universe. The management company strives closely monitor the companies and maintain a close dialogue with the management teams of these companies in order to monitor their efforts, areas for improvement and progress over time.

The construction of the Fund's portfolio does not take into account the composition of the benchmark. The weighting of each company in the portfolio is therefore entirely independent from the weighting of that same company in the CAC All-Tradable NR index. As such, it is possible that a company in the Fund's portfolio does not appear in the composition of the benchmark or that a company well represented in the benchmark is excluded from the Fund's portfolio.

Asset classes and financial futures in the portfolio:

Other than the equities referred to above which make up at least 75% of Fund assets, the following assets may be included within the Fund portfolio:

UCITS and/or AIFs

The Fund may hold up to 10% of its assets in the form of shares or units in the following UCIs:
- European (including French) UCITS which invest less than 10% of their assets in units or shares of other UCITS or AIFs;
- European (including French) AIFs compliant with the four criteria set out in article R. 214-13 of the French Monetary and Financial Code.

The Fund may also invest in money market funds in order to manage the Fund's cash flow, or equity or diversified funds with a management strategy which complements that of the Fund and which contributes towards achieving the performance target.

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

These UCIs have or are committed to having the SRI (Socially Responsible Investing) and/or Greenfin, and/or Finansol, or equivalent foreign labels, codes or charters within one year. The proportion of UCITS that do not yet have one of the above-mentioned labels is limited to 1% of net assets. The selection of the latter will occur without constraints as to SRI methodologies used by their respective management companies.

Debt securities and money market instruments
To manage the Fund's cash, the portfolio may include negotiable debt securities, provided that these securities may not be rated as "high yield" by rating agencies.

No investments pertaining to this asset category may exceed 25% of the Fund's net assets.
Such securities may come from public issuers (up to 25% of fund net assets in fixed-rate French treasury bonds) or corporate issuers (negotiable CDs up to 10% of fund net assets) with no pre-set restriction on the breakdown between these two categories.

Only those securities with residual lives of less than three months may be added to the portfolio.

Derivatives & securities with embedded derivatives
The Fund operates in all regulated or organised markets in France and in other OECD member states.

The Fund uses futures and option strategies.

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.

The Fund primarily draws on stock-picking within the portfolio to achieve investment management targets, with these strategies contributing on an ancillary basis. These strategies nevertheless enable a portfolio manager anticipating a period of equity market weakness to preserve accrued returns (hedging strategy involving equity indices or certain stocks which the portfolio manager considers overvalued) or conversely, to increase portfolio exposure when the portfolio manager feels that securities already in the portfolio may not fully benefit from an expected equity market rally.

The Fund deals in financial instruments with embedded equity derivatives.

The instruments used are: warrants, equity warrants, investment certificates, loan participations, 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.

If equity exposure increases through the use of derivatives or securities with embedded derivatives, it shall not exceed 150%, or maximum leverage of 1.5x.

The policy for using derivatives, including the underlyings that are the subject of the SPICE analysis process, is compatible with the objectives of the Fund and consistent with its engagement for the long term. It does not significantly or sustainably distort the ESG selection policy. The use of derivative financial instruments is limited to techniques that allow efficient management of the portfolio of securities in which the Fund is invested. The Fund may not hold a short position on any asset selected as ESG according to its own ESG asset selection method.

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 shares or European equity indices.

CFDs shall be used to replicate purchases or sales in securities or indices, or baskets of securities or baskets of indices.

If equity exposure increases through the use of CFDs, it shall not exceed 150%, or maximum leverage of 1.5x.
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 and sales of securities in connection with the management of the Fund.

Contracts constituting financial guarantees

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

3.2.6. Risk profile

Your money shall be invested mainly in financial instruments selected by the management company. These instruments shall be subject to the evolution and fluctuations of the financial markets.

Risks incurred by the Fund:

- **the risk of loss of principal**, as the Fund’s performance may not meet investment objectives or investor targets (which depend on their portfolio composition), the principal invested may not be entirely returned, the performance may be adversely affected by inflation.
- **the risk incurred from discretionary management**, as the management team may freely allocate Fund assets between the various asset classes;
- **equity risk**, on account of equity exposure between 75% and 150% on assets;

Equity risk is the risk that the value of a share will decline due to market movements, unfavourable news regarding the company itself or to its business sector.

- **liquidity risk**, due to the exposure of small capitalisation companies in which the Fund may be invested. In this regard, investors should bear in mind that the small and mid-cap market includes companies which, by reason of their specific nature, may involve risks for investors.

Liquidity risk is the risk that some buy or sell orders transmitted to the market may not be fully executed due to the limited quantity of securities available in the market.

- **foreign exchange rate risk**, some PEA-eligible securities may be listed in a currency 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 of 10% of its net assets;

Foreign exchange risk is the risk that the value of an investment currency diminishes compared to the Fund’s base currency, i.e.

the euro.

- **Interest rate and credit risk**, as the Fund may hold up to a maximum of 25% of its assets in convertible bonds and money market instruments;

Interest rate risk:

a. The risk that the rates decline when investments are made at a variable rate (lower rate of return);
b. 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.

Credit risk is the risk that the issuer of a debt security is no longer able to service its debt, i.e. repay the debt.

- **risk incurred by convertible bond investments**, given that the Fund may be exposed up to 25% to convertible bonds. This is the risk that the Net Asset Value falls, affected adversely by one or more elements of a convertible bond valuation, namely: level of interest rates, changes in prices of the underlying shares and changes in the price of the derivative instrument embedded in the convertible bond.

- **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 net assets per counterparty. In the event of a counterparty default, the Net Asset Value may fall.

- **Methodological risk associated with Socially Responsible Investment (SRI)** SRI is a relatively new area; there is no framework or list of universally accepted factors to take into consider to ensure the sustainability of investments. In addition, the legal and regulatory framework governing area is still being developed. The absence of common standards can lead to different approaches to set and achieve ESG (environmental, social and governance) objectives. ESG factors can vary according to investment themes, asset classes, investment philosophy and the subjective use of various ESG indicators governing the construction of portfolios. The selection and weights applied can, to some extent, be subjective or based on measures that 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 judgement, especially in absence of well-defined market standards and due to the existence of multiple approaches to SRI. An element of subjectivity and discretion is therefore inherent in the interpretation and use of ESG data. Therefore, it may be difficult to compare strategies strategies incorporating ESG criteria. Investors should note that the subjective value attribute to certain ESG criteria may differ materially from one fund to another. Applying ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons and, therefore, can miss certain market opportunities available to funds that do not use ESG or sustainability criteria. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. Consequently, there is a risk that a particular security or issuer may be misvalued, causing a security to be included or excluded of a security. ESG data providers are private companies that provide ESG data for a variety of issuers. They may therefore change the valuation of issuers or instruments at their discretion. The ESG approach can evolve and develop over time, due to decision-making processes improving in investment to take into account ESG factors and risks, and/or due to legal and regulatory changes. Lastly, up to 25% of the Fund's net assets may be exposed to what are known as transforming companies, which means that they are not yet among the best in universe but are committed to a verifiable process of improving products or services, or their practices.
- **Sustainability risks**: environmental, social or governance events that, if they occur, could have a material, actual or potential, negative impact on the value of the investment. However, the Fund's investment policy does not systematically or concomitantly include ESG criteria or measures to mitigate these risks.

In order to diversify the equity risk, which is measured in terms of volatility, the portfolio includes at least 25 securities.

3.2.7. *Guarantee or protection*

None.

3.2.8. *Target investors and target investor profile*

Unit Classes I, A, R, ID and S are available to all investors. Given the major risks associated with equity investments, this Fund is mainly intended for investors who are prepared to withstand the wide fluctuations inherent in equity markets, over an investment period of at least five years.

The Fund contains small-cap stocks and investors should bear in mind that the small- and mid-cap market is intended to include companies which, by reason of their specific nature, may involve risks for investors.
The reasonable amount to invest in this Fund depends on your personal situation. In order to assess your financial situation, you must take into account your personal assets, your current needs and your needs over the next five years, as well as your willingness to take on risk or, conversely, to opt for a more prudent investment. You are also strongly advised to sufficiently diversify your investments so that they are not exposed solely to the risks incurred by this Fund.

The units in the Fund, which is a Foreign Public Fund within the meaning of Section 13 of the US Bank Holding Company Act, have not been registered or reported to the US authorities pursuant to the US Securities Act of 1933. Hence, they may not be offered or sold, directly or indirectly, in the United States or on behalf of or for the benefit of a 'U.S. Person' within the meaning of the US regulations (Regulation S).

3.2.9. Income calculation and allocation

Unit Classes I, A, R and S: Full accumulation of the net income and of the net realised capital gains.
Unit Class ID: Accumulation and/or yearly distribution with the possibility of quarterly interim payments of some or all of the net income and net realised capital gains.

The management company shall decide each year on the allocation of distributable sums.

3.2.10. Unit Class characteristics

Unit Class	ISIN Code	Allocation of distributable sums	Base Currency	Target investors	Minimum subscription
I	FR0010111724	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).	€100
A	FR0007065743	Accumulation	EUR	All	€100
R	FR0010111732	Accumulation	EUR	All	€100
ID	FR0012758720	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 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).	€100
S	FR0013112760	Accumulation	EUR	All	€30,000,000 (initial subscription only)

3.2.11. Conditions for subscribing and redeeming shares:

Subscription and redemption requests are centralised at BNP Paribas SA (Postal address: 9, Rue du Débarcadère, 93500 Pantin, France) at 12:00 pm on each NAV calculation day (D). These orders are then executed on the basis of the NAV calculated on the following business day at a then-unknown price (D+1). 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 any specific deadline is agreed upon with your financial institution:

D: Day on which the net asset value is determined	D+1 business day	D+2 business days
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

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

<u>NAV calculation date and frequency:</u> The net asset value is determined each day the Euronext markets are open, with the exception of legal holidays in France (D). This NAV is calculated on the following business day (D+1), based on the preceding day's closing prices (D).

Circumstances in which subscriptions may be limited: In cases where the number of existing units (all unit classes included) falls below 750,000, the Fund will be automatically reopened to, subscriptions after 10 working days from the date of publication in a French daily economic newspaper.

The day following the ascertainment that the number of subscribed units (all unit classes included) is above 2,500,000 units, subscriptions shall be suspended. Unit holders will be informed of the suspension of subscriptions through the press and specifically through a French daily economic newspaper.

Information concerning the total number of units in the Fund may be obtained directly via the Sycomore Asset Management website (www.sycomore-am.com) or by telephone: +33 (0)1 44 40 16 00.

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).

3.2.12. Fees and Charges

Entry and exit charges:

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

Charges to be borne by the investor, levied on subscriptions and redemptions	Basis	Rate				
		Unit Class I	Unit Class A	Unit Class R	Unit Class ID	Unit Class S
Subscription fee not due to the UCITS	Net Asset Value multiplied by the number of units subscribed	7% maximum rate	5% maximum rate	3% maximum rate	7% maximum rate	10% maximum rate
Subscription fee due to the UCITS	Net Asset Value multiplied by the number of units subscribed	None				
Redemption fee not due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None				
Redemption fee due to the UCITS	Net Asset Value multiplied by the number of units redeemed	None				

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

Operating and management charges:
These charges include all the expenses invoiced directly to the UCITS, except for execution fees. Execution fees include intermediation charges (brokerage, stamp duty, etc.) and transfer commissions, if any, which may be collected by the depositary and the management company. The following may be payable in addition to the operating and management charges:
- performance fees. These reward the asset management company when the Fund exceeds its objectives. They are therefore invoiced to the UCITS;
- transfer commissions invoiced to the UCITS.

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

Fees charged to the UCITS	Basis	Rate				
		Unit Class I	Unit Class A	Unit Class R	Unit Class ID	Unit Class S
Financial investment management fees and external administration fees (1)	Net assets	Maximum annual rate (including tax)				
		1.00%	1.50%	2.00%	1.00%	1.00%
Transfer commissions collected by the management company	Charge on each transaction	None				
Transfer commission collected by the depositary	Charge on each transaction	Maximum charge of €60, including tax. CFD: fixed maximum specific tariff of €250, including tax.				
Performance fee	Net assets	15% incl. taxes on performance in excess of the CAC All-Tradable NR index				

(1) including all fees except execution fees, performance fees and charges linked to investments in UCITS or investment funds

Unless otherwise specified, these rates and percentages are common to all unit classes.
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 of the Fund before charging any performance fee 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 underperformances 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.

Positivity condition

A provision may only be made and a fee may only be levied if the fund's performance is strictly positive over the year (NAV greater than the start-of-year NAV).

Observation period

The first observation period will commence with a term of twelve months beginning on 1 July 2022.

At the end of each financial year, one of the following three 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 but underperformed in absolute terms over the year. In this case, no fee is charged, the calculation is reset and a new twelve-month observation period begins.

• The Fund (i) outperformed over the observation period and (ii) had a positive performance in absolute terms 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.

Provisioning

Each time the net asset value (NAV) is established, a provision (of 15% of the outperformance) is made for the performance fee if the net assets of the Fund, before deduction of any performance fee, is greater than that of the notional UCI over the observation period and the performance of the Fund is strictly positive over the financial year, or a recovery of the provision limited to the existing appropriation 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.

Crystallisation

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.

Particular conditions for Unit Class S:

The calculation for the performance fee of Unit Class S is similar to the one introduced in the general conditions except that a positive performance is required for the provision and collection of this fee.

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

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

4. COMMERCIAL INFORMATION

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

Subscription and redemption orders should be addressed to the delegated institution in charge of the centralisation.
Information concerning the UCITS is provided by Sycomore Asset Management to your financial intermediary, whose duty it is to pass this information on to their clients.

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

- Sycomore Asset Management, 14, avenue Hoche, 75008 Paris, France;
- or to info@sycomore-am.com.

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

Furthermore, information concerning the Fund may be obtained directly via the Sycomore Asset Management website (www.sycomore-am.com) or by calling our Investor Relations Department on +33 1 44.40.16.00.

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

5. INVESTMENT REGULATION

The Fund complies with the investment regulations for UCITS under European Directive 2009/65/EC investing up to 10% of their assets in units or shares of UCITS. It also complies with the General Regulation of the AMF regarding UCITS in the "French equities" category.

6. OVERALL RISK

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

7. ASSET VALUATION PRINCIPLES

7.1 Asset valuation rules

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

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

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

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

The accounting currency is the euro.

7.2 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 also has at its disposal an estimated valuation of the fund's financial assets on a real-time basis, sourced from various available financial data suppliers (Reuters, Bloomberg, market counterparties, etc.).

In the event that the delegated administrative and accounting agent is unable to value the Fund's assets, it will still therefore be possible to provide it with the requisite information for the purpose of such a valuation, in which case the Statutory Auditor will be promptly informed.

7.3 Accounting method

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

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

8. REMUNERATION POLICY

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

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

9. 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 term of the Fund is 99 years from 30 October 2001 subject to any early winding-up or extension as provided for in these terms and conditions.

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

The various categories of units may:

- benefit from different income distribution methods; (distribution or accumulation)
- 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) assets fall below EUR 300,000; when the assets remain below this amount for a period of thirty days, the management company shall make the necessary provisions to liquidate the fund concerned, or to carry out one of the operations mentioned in Article 411-16 of the AMF's General Regulations (transfer of the Fund).

Article 3 - Issue and redemption of units

The units can be issued at any time at the request of 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 it accepts the securities, they shall be valued on the basis of the rules laid down in article 4, and the subscription shall be made on the basis of the first net asset value calculated following acceptance of the securities involved.

Redemptions shall be paid out exclusively in cash, unless the Fund is liquidated and unit holders have given their consent to repayment in securities. Payment is made by the issuance account keeper 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 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.

In application of 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 unitholders' best interests so require.

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

The Fund may cease to issue units pursuant to Article L. 214-8-7 of the French Monetary and Financial Code in situations that objectively require the closure of subscriptions, such as when the maximum number of units or shares has been issued, a maximum amount of assets has been reached, or a specific subscription period has expired.
These objective circumstances are defined in the full prospectus of the UCITS.

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

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 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 – Depositary

The custodian 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 legal 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 by the governing body of the management company for a term of six financial years, with the approval of the AMF.

The statutory auditor certifies the accuracy and consistency of the financial statements. The appointment of the statutory auditor may be renewed.

The statutory auditor is required to notify the AMF as soon as possible of any fact or decision relating to the UCITS of which they become aware in the course of their audit that may:
- Constitute a breach of the laws or regulations applicable to this Fund that could have a significant impact on its financial situation, results or assets;
- Undermine the conditions or continuity of its business;
- Entail the issuing of reservations or the refusal to certify the financial statements.

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

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 UCI's assets and liabilities, at least once every half-year and under the supervision of the custodian.

The list of assets and liabilities is certified by the custodian and 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 are either sent by mail at the express request of the unit holders, or made available to them by the management company.

TERMS AND CONDITIONS OF ALLOCATION OF INCOME AND DISTRIBUTABLE SUMS

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

Net income for the financial year shall be equal to total interest, 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 after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or accumulated and minus or plus the balance of capital gain accruals.

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 reinvested with the exception of those that must be distributed pursuant to legal provisions;
- 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 prefer to maintain the freedom to accumulate and/or distribute all or part of the distributable sums, the management company decides each year on the appropriation of distributable sums mentioned in points 1 and 2 with the possibility of interim distribution.

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 or split the Fund into two or more other funds.

Such mergers or splits may not be carried out until the unit-holders have been notified. A merger or split gives rise to the issuance of a certificate specifying the new number of units held by each 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 asset management company shall inform the French Financial Markets Authority in writing of the scheduled date and selected winding-up procedure. It shall then send the French financial markets authority (Autorité des Marchés Financiers, AMF) the statutory auditor's report.

Extension of a fund may be decided by the asset management company in agreement with the custodian. Its decision must be taken at least 3 months prior to expiry of the Fund's term, and both unit holders and the French financial markets authority (Autorité des Marchés Financiers, AMF) must be informed at the same time.

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

Article 12 - Liquidation

If the Fund is to be dissolved, the management company or the custodian shall act as liquidator, failing which a liquidator shall be appointed by the courts at the request of any party concerned. For such purposes, they will be entrusted with full powers to realise assets, pay any creditors and distribute the available balance amongst the unit holders, in cash or in securities.

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

DISPUTES

Article 13 - Competent courts & Choice of jurisdiction

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

Template 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 Francecap

Legal entity identifier: 969500C7LGENJ6U7XI31

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, establishing a list of **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: %**	☒ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective 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**

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

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

As indicated in the prospectus, the Fund aims to outperform the benchmark over a period of five years, according to a multi-thematic socially responsible investment process linked to the United Nations Sustainable Development Goals (SDGs), while complying with the standards set for French personal equity savings plans (Plans d'Epargne en Actions, PEAs).

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

No reference benchmark has been designated to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

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

The Fund will measure the attainment of each of the environmental or social characteristics using the following sustainability indicators, *inter alia*:

At investee level :

- **Investee companies' SPICE rating**: SPICE[(1)] stands for Suppliers&Society, People, Investors, Clients and Environment. This tool assesses the sustainable performance of companies. It integrates the analysis of economic, governance, environmental, social and societal risks and opportunities in business practices and in the products and services offering of companies. The analysis takes into account around 90 criteria from which a score between 1 to 5 per letter of SPICE is obtained. These 5 scores are weighted according to the company's most material impacts.

- **On the societal side**: the **Societal Contribution**[(2)] **of products and services**. The Societal Contribution metric combines the positive and negative societal contributions of a company's products and services. The methodology draws on the societal aspects of the United Nations' 17 Sustainable Development Goals (SDGs) and their 169 sub-goals (or targets). The methodology also includes macroeconomic and scientific data sourced from public research institutions, and from independent organizations such as the Access to Medicine Foundation or the Access to Nutrition Initiative.

- **On the human capital side :** two metrics both addressing SDG 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"), as well as SDGs 3, 4, 5 and 10 for the latter:

  - **The Happy@Work Environment rating**[(3)] **:** the analysis framework provides a complete and objective assessment of the level of well-being at work, focusing on: purpose, autonomy, competence, working relations, and fairness.

  - **The Good Jobs Rating**[(4)] which is a quantitative metric designed to assess – on a scale of 0 to 100 – a company's overall ability to create durable and quality jobs for all, and particularly in areas (regions or countries) where employment is relatively scarce and therefore needed to ensure sustainable and inclusive economic growth.

- **On the environmental side** : The **NEC**[(5)] (Net Environmental Contribution). The NEC is a metric that measures the extent to which a company's business model is aligned with the ecological transition and the climate change mitigation objectives. It ranges from -100% for businesses that are highly damaging to natural capital, to +100% for companies with a strong positive net impact. The NEC covers five impact categories (issues: climate, waste, biodiversity, water, air quality) by group of activities (contributing areas: ecosystems, energy, mobility, construction, production).

- Investee companies' **compliance with Investment Manager's SRI exclusion policy**
- Investee companies' **compliance with the controversy analysis process** of the Investment Manager
- Investee companies' **compliance with the PAI policy** of the Investment Manager

At product level:
- Net Environmental Contribution
- Societal contribution of products and services

(1) More information can be found on the website page indicated at the end of this document
(2) Ibid
(3) Ibid
(4) Ibid
(5) Ibid

○ ***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 will partially make sustainable investments with a social objective, based on at least one of the following criteria:

- **On the societal side**: investments with a **Societal Contribution of products and services** above or equal to +30%.

- **On the human capital side**, two metrics both addressing SDG 8 ("Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"), as well as SDGs 3, 4, 5 and 10 for the latter:

▪ **Investments with a Good Jobs Rating** above or equal to 55/100.
▪ **Investments with a Happy@Work Environment** rating above or equal to 4.5/5.
▪ Companies associated with a Good Jobs Rating or a Happy@Work Environment rating above or equal to the selected thresholds therefore make a significant contribution to SDG 8.

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.

The Fund will partially make sustainable investments with an environmental objective, based on the following criterion: investments with a **Net Environmental Contribution (NEC)** above or equal to +10%.

It is worth noting that the Fund commits to invest a minimum of 50% of its net assets in underlying assets qualifying for sustainable investments under the conditions set forth in this document, regardless of whether their objective 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 layers are implemented to avoid occurrence of significant harm to any environmental or social sustainable investment objective, on an *ex ante* basis, prior to any investment-decision.

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

1. As per the Investment Manager's SRI exclusion policy[6]: activities are restricted for their controversial social or environmental impacts, as defined and revised annually in Sycomore AM's core policy (applicable to all Sycomore AM's direct investments), and in the Socially Responsible Investment Policy (SRI) policy (applicable to all open-ended UCITs, mandates and dedicated funds managed according to an SRI strategy) such as violation violations of fundamental rights, controversial and nuclear weapons, conventional weapons and ammunitions, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy generation, oil & gas.

2. Companies affected by a level 3/3 controversy[7]: identified based on the Investment Manager's thorough analysis of controversies. The most severe controversy classification (-3 on Sycomore AM's scale, which range from 0 to -3 such companies are considered in violation of one of the principles of the United Nations' Global Compact.

3. SPICE rating below 3/5: The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the draft Regulatory Technical Standards. A lower rating, below 3/5, indicates a lower sustainability performance on one or more adverse impacts.

4. As per Sycomore AM's Principle Adverse Impact (PAI) policy[8]: a PAI policy applied to identify further potential significant harm across environmental and social matters targeted by the PAI indicators listed in Table 1 of Annex I is implemented. Companies meeting any exclusion criterion regarding GHG emissions, biodiversity, water, waste, gender equality, UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance, or controversial weapons, will be reported as "not sustainable".

(6) More information can be found on the website page indicated at the end of this document
(7) Ibid
(8) Ibid

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

Adverse impacts on sustainability factors involve indicators at two levels:

1. For sustainable investments only: a PAI policy directly drawing from indicators of Table 1 of Annex I and any relevant indicators in Tables 2 and 3.
2. For all investments of the financial product: the SPICE analysis framework, going through all issues targeted by all adverse sustainability indicators, with ability to use them to feed the analysis.

PAI policy: each sustainability factor targeted by Table 1 of Annex I was associated with an exclusion criterion:

Applicable to investee companies :

- **GHG emissions**:
  - Indicators #1-2-3-5-6 (GHG emissions scope 1, 2, 3, and total emissions; Carbon footprint; GHG intensity of investee companies ; Share of non-renewable energy consumption and production; Energy consumption intensity per high impact climate sector): for all sectors, GHG emissions are assessed adjusting for company size, relative to their sub-sector, and taking into account science-based decarbonization levels required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change[(9)] (IPCC). As a consequence, Sycomore AM's PAI approach to GHG emissions for all sectors relies on science-based target metrics: from the science-based target initiative (SBTi[(10)]) on the one hand, and on the temperatures computed by the Science-Based 2°C Alignment (SB2A[(11)]) initiative on the other hand. Companies associated with a temperature exceeding the threshold set in the PAI policy are deemed to significantly harm the climate change mitigation objective.
  - Indicator #4 (exposure to companies active in the fossil fuel sector): companies active in the fossil fuel sector are addressed by Sycomore AM's exclusion policy.

- **Biodiversity**:
  - Indicator #7 (Activities negatively affecting biodiversity-sensitive areas), complemented by indicator #14 of Table 2 (Natural species and protected areas): these two indicators send a signal that activities in biodiversity-sensitive areas without appropriate mitigation measures might occur. Companies for which this is confirmed are deemed to significantly harm the objective of protection and restoration of biodiversity and ecosystems. The detailed process for confirming excluded companies is provided in the PAI policy.

- **Water**:
  - Indicator #8 (Emissions to water): for companies reporting emissions exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of past emissions, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of sustainable use and protection of water and marine resources.

- **Waste**:
  - Indicator #9 (Hazardous waste and radioactive waste ratio): for companies reporting quantities exceeding the threshold set in the PAI policy, further investigation is made on the impact on stakeholders of waste generated, based on controversy reviews. A severe impact not yet fully addressed by the company is deemed to significantly harm the objective of pollution prevention and control.

- **UN Global Compact principles/OECD Guidelines for Multinational Enterprises compliance:**
  - Indicator #10 (Violations): The aforementioned controversy analysis framework implemented by Sycomore AM precisely aims at identifying violations of these international standards.
  - Indicator #11 (Lack of processes and compliance mechanism to monitor compliance): lack of processes and compliance mechanism to monitor compliance with these international standards is a signal that further due diligence is necessary to conclude on the likeliness of potential violations. More stringent requirements throughout the SPICE analysis, in particular related to Society (S), People (P) and Clients (C) stakeholders, defined in the PAI policy, are then implemented. Any company failing the test will be deemed to significantly harm 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 deemed to significantly harm the social objective of tackling inequality.
  - Indicator #13 (Board gender diversity): Companies associated with a share of women seating on the company's Board below the threshold set in the PAI policy are deemed to significantly harm the social objective of tackling inequality.

- **Controversial weapons**: exposure to controversial weapons is specifically addressed by Sycomore AM's exclusion policy.

(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

Applicable to sovereigns and supranationals:

- **GHG intensity** (indicator #15): GHG intensity is part of the analysis of sovereigns, described in Sycomore AM's ESG integration policy, that allows to exclude low performers across a range of environmental, social and governance matters.

- **Investee countries subject to social violations** (indicator #16): similarly, the analysis framework applicable to sovereigns addresses adherence to the Charter of the United Nations. In addition, a set of indicators allows to assess government practices in terms of sustainable development and governance, including in particular corruption, human rights and social inclusion.

SPICE rating:

The SPICE methodology, through its 90 criteria, covers all environmental, social and governance issues targeted by the indicators for adverse impacts on sustainability factors listed within the Regulatory Technical Standards.

Out of the 46 adverse sustainable indicators applicable to investee companies – excluding one item dedicated to bond investments (14 principal adverse impact indicators listed in Table 1, as well as 32 additional adverse impact indicators listed in Table 2 and Table 3), 42 indicators (23 environmental indicators and 19 social indicators) tackle adverse impacts reviewed during the SPICE analysis, and 4 indicators (1 environmental indicator and 3 social indicators) relate to adverse impacts targeted by Sycomore AM's exclusion policy.

More specifically, Sycomore AM's fundamental analysis model SPICE, is an integrated model, allowing to get a holistic view of companies of the investment universe. It was built taking into account OECD guidelines for Multinational Enterprises. It fully integrates ESG factors to capture how companies are managing adverse impacts as well as key sustainable opportunities following a double materiality approach.

Examples of matching between adverse impacts and SPICE items include inter alia:

Society & Suppliers (S): The S rating reflects the performance of the company with respect to its suppliers and civil society. Analysis relates to the societal contribution of products and services, corporate citizenship, and the outsourcing chain. Adverse sustainability indicators including lack of a supplier code of conduct, insufficient whistleblower protection, lack of a human rights policy, lack of due diligence, risks related to human beings trafficking, child labour or compulsory labour, cases of severe human rights issues, and risks related to anti-corruption and anti-bribery policies, tackle adverse impacts addressed within the Society & Suppliers section.

People (P): The P rating focuses on a company's employees and its management of human capital. The assessment of the People pillar covers the integration of people-related issues, employees' fulfilment (Happy@Work environment), and measurement of employee engagement. Adverse sustainability indicators including unadjusted gender pay gap, board gender diversity, workplace accident prevention policies and health & safety indicators, employee's grievance mechanisms, discrimination, and CEO pay ratios tackle adverse impacts addressed within the People section.

Investors (I): The I rating focuses on the relation between companies and their shareholders. The rating is assigned based on an in-depth analysis of the company's shareholder and legal structure and of the interactions and power balance between different players: management, shareholders and their representatives, directors. Analysis targets the business model and governance. Among adverse sustainability indicators, lack of diversity at board level and excessive CEO pay-ratio tackle adverse impacts addressed in that section.

Clients (C): The C rating focuses on the company's clients as stakeholders, analyzing the offer made to clients as well as customer relationship.

Environment (E): The E rating assesses how the company stands with regards to natural capital. It accounts for management of environmental issues as well as positive or negative externalities of the company's business model. The operations environmental footprint subsection adresses adverse impacts targeted by adverse sustainability impact indicators including greenhouse gas emission indicators, 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 activities tackles adverse impacts that are addressed by the Transition Risk subsection of that E section.

Exclusion policy: Finally, Sycomore AM's exclusion policy targets adverse sustainability impact indicators including controversial weapons, exposure to fossil fuel sector, chemical pesticide production, and more broadly was drafted to target companies in breach of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
Once the analysis – SPICE analysis including review of controversies, exclusion policy compliance, PAI policy compliance – is performed, it impacts investment decisions in the following ways:

- As indicated in the previous question, it provides a safeguard against significant harm to any sustainable investment objective, by excluding companies not meeting minimum safeguard requirements;
- It also impacts the financial investment case in two ways: 1. assumptions related to the company's prospects (growth and profitability forecasts, liabilities, M&A, etc.) can be fed by certain SPICE outputs as relevant, and 2. some core assumptions of valuation models are systematically linked to SPICE outputs.

○ ***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 analysis framework "SPICE" as well as the exclusion policy have been inspired by the OECD's Guiding Principles for multinational companies, the United Nations' Global Compact, the International Labour Organization's international standards and the UN Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a firm interacts with its stakeholders. This fundamental analysis is designed to understand strategic challenges, business models, management quality and degree of involvement, and the risks and opportunities faced by the company. Sycomore AM has also defined its Human Rights Policyin compliance with the UN Guiding Principles on Business and Human Rights.
Despite the above-described due diligence set to detect potential breaches of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, actual compliance of the analyzed issuers can never be guaranteed.

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

☒ Yes, as indicated in the previous sub-section:

- Principal adverse impacts, as well as all other adverse impacts, are considered for any investment of the portfolio through SPICE analysis and outputs, complemented by Sycomore AM's exclusion policy.
- In addition, to qualify as a sustainable investment, any investment must comply with the PAI policy specifically addressing principal adverse impacts.

Information on principal adverse impacts on sustainability factors shall be made available 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 invests at least 75% of its assets in PEA (French personal equity savings plan) eligible equities.
Investments are selected on the basis of a strict analysis of corporate fundamentals. The selection process aims to identify those companies meeting quality standards (on the basis of their management teams, business model sustainability, and financial structure consistency) and to detect value (based on the differential between the intrinsic value as calculated by the management team and market value). These securities are selected without sector or capitalisation size constraints, while respecting the following geographical restrictions:

- in accordance with the regulations relating to the French personal equity savings plan (PEA), at least 75% of the assets will be invested in European Union securities;
- French securities will represent at any time at least 60% of the Fund's assets.

ESG analysis is a fully integrated component of the fundamental analysis of companies in the investment universe and carried out according to Sycomore AM proprietary 'SPICE' methodology. SPICE is the acronym for the global, financial and extra-financial methodology of analysis and evaluation. In particular, it aims to understand how the value created by a company is allocated among all its stakeholders (investors, environment, customers, employees, suppliers and civil society). The investment manager believes that an equitable sharing of value between the stakeholders is an important factor in the development of a company.

The investment universe of the Fund is built according to specific criteria into the overall SPICE methodology (see next item on binding elements of the investment strategy).

Sycomore AM SPICE methodology also contributes to analyzing a company's exposure and/or contribution to the United Nations Sustainable Development Goals (SDGs). Within the People pillar, the approach to evaluating 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 Master Fund also undertakes to report annually on the portfolio companies' exposure to SDGs.

○ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

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

- **A filter of selection**: the net assets of the Fund will be exposed from 70% to 100% to listed equities of companies whose activities contribute tosustainable development opportunities. Such companies can be of any of the four categories:

(i) **Social contribution**: Companies that have a **Societal Contribution rating** greater than or equal to +10% within the Society & Suppliers pillar of Sycomore AM SPICE methodology.

(ii) **Environmental contribution**: Companies with an NEC (Net Environmental Contribution) rating greater than or equal to +10% within the Environment pillar of the SPICE methodology.

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

(iv) **SPICE transformation**: For up to 25% of net assets, companies with, cumulatively,
a. a **SPICE rating** between 3 and 3.5/5,
b. **a recognized strategy of fundamental transformation** in terms of sustainable development (product or services offerings, or changes in its 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 met within a maximum period of two years.

- **A filter of exclusion**: any company which presents risks in terms of sustainable development. Identified risks include inadequate non-financial practices and performance likely to jeopardize the competitiveness of companies. A company is thus excluded if:

a. it is involved in activities identified in Sycomore AM SRI **exclusion policy** for their controversial social or environmental impacts, or
b. obtained a **SPICE rating** below 3/5, or
c. if the company is affected by a **level 3/3 controversy**.

At product level, the Management Company aims at having a better result compared to the Fund's Benchmark on the two following indicators:

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

In addition, the Fund commits to the following binding element:

- At least 50% of the net assets of the Fund are invested in sustainable investments, either with an environmental objective, or a social objective.

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

○ ***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 the French market.

○ ***What is the policy to assess good governance practices of the investee companies?***

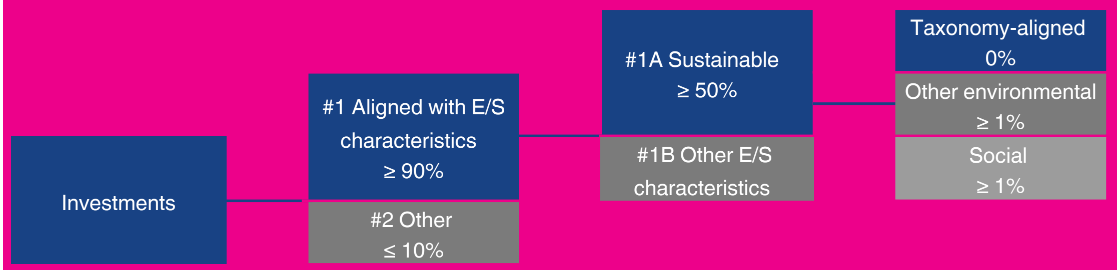
Governance is part of the SPICE analysis, including a dedicated governance section ("G" section) within the "I" section involving a significant focus on management structures, and governance items embedded into the other parts of the analysis framework, notably employee relations and remuneration of staff within the "P" section, and tax practices within the "S" section. Overall governance of issues associated with each type of stakeholder (Society, People, Investors, Clients and the Environment) is addressed in each according section.

Further requirements to exclude from the investable universe insufficient governance practices from the "G" section, associated with a minimum threshold, can be found in Sycomore AM's exclusion policy.

What is the asset allocation planned for this financial product?

Aforementioned binding elements of the investment strategy, used to select the investments to attain each of the environmental or social characteristics promoted by this financial product, are required for any investment of the Sub-fund (excluding cash or derivatives held for liquidity purposes).

Asset allocation describes the share of investments in specific assets.



#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 whiich 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.

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

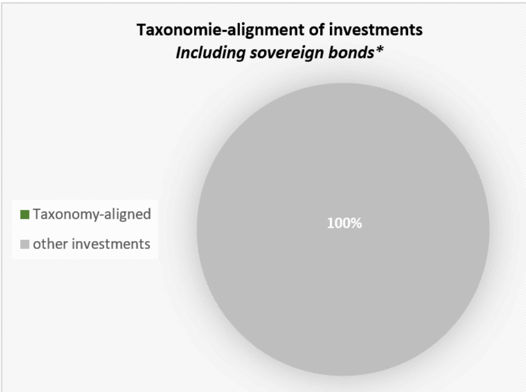
The policy for using derivatives, whose underlying assets are subject to the SPICE analysis process, is compatible with the objectives of the Fund and consistent with its inclusion in a long-term perspective. It is not intended to significantly or permanently distort the ESG selection policy. The use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

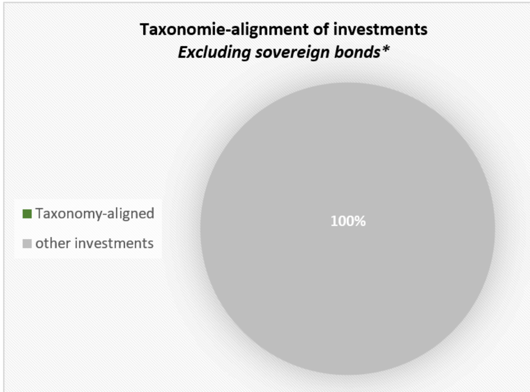
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?
N/A

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.

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 purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?
N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
The Fund makes a minimal commitment regarding a minimum share of investments in sustainable investments with an environmental objective (1%).
However, the Fund commits to invest a minimum of 50% of its net assets into sustainable investments, either with an environmental or a social objective.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentaly sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?
The Fund makes a minimal commitment regarding a minimum share of investments in sustainable investments with a social objective (1%).
However, the Fund commits to invest a minimum of 50% of its net assets into sustainable investments, either with 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 under “#2 Other” relate to derivatives used for hedging purpose, to cash held as ancillary liquidity or to cash equivalent such as sovereign bonds.

Bonds, other international debt securities and short-term negociable securities from public issuers are selected through an in-house rating of the issuing State strictly above 2.5 on a scale of 5 (5 being the highest rate), the State being thus considered as sufficiently sustainable and inclusive.

Other cash and cash equivalent used as ancillary liquidity, and derivatives held for hedging purpose, are not subject to any minimum environmental or social safeguards.

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?

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

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 reference benchmark of the Fund, only for performance appreciation purpose, 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://en.sycomore-am.com/funds/1/sycomore-francecap