

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: Sycoyield 2030

Legal entity identifier: 969500OJJ06VJFYEPF46

Environmental and/or social characteristics

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

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

Does this financial product have a sustainable investment objective?	
<div><div><div></div><div></div></div><div><div></div><div></div></div><div>Yes</div></div>	<div><div><div></div><div></div></div><div><div></div><div></div></div><div>No</div></div>
<div><div><div></div><div></div></div><div>It will make a minimum of sustainable investments with an environmental objective: __%</div><div><div><div></div><div></div></div><div>in economic activities that qualify as environmentally sustainable under the EU Taxonomy;</div><div><div><div></div><div></div></div><div>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div></div>	<div><div><div></div><div></div></div><div>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 1% of sustainable investments</div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><div><div></div><div></div></div><div>with a social objective</div></div></div></div></div>
<div><div><div></div><div></div></div><div>It will make a minimum of sustainable investments with a social objective: __%</div></div>	<div><div><div></div><div></div></div><div>It promotes E/S characteristics, but will not make any sustainable investments</div></div>



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

The fund implements exclusion filters for the main environmental, social and governance (ESG) risks identified, in accordance with the exclusive SPICE model of the exclusion policy of the management company (Sycomore AM) and analysis of controversies.

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

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

At the level of the investee companies:

- **SPICE ratings of investee companies:** SPICE¹ stands for Society & Suppliers, People, Investors, Clients, and Environment. This tool assesses the companies' sustainable performance. It integrates the analysis of economic, governance, environmental, social, and societal risks and opportunities into the commercial practices and product and service offerings of companies. The analysis takes into account 90 criteria from which a score between 1 and 5 per SPICE letter is obtained. These 5 ratings are weighted according to the most significant impacts on the company. More detailed information is available in our ESG Integration Policy available on our website².
- **Compliance of investee companies with Sycomore AM's SRI exclusion policy.**
- **Compliance of investee companies with Sycomore AM's controversy analysis process.**

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

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

- **At the societal level:** investments where the **Societal Contribution (SC) of products and services** is greater than or equal to +30%. The SC of products and services is a quantitative metric aggregating the positive and negative contributions of an activity, assessed on a scale of -100% to +100%, based on 3 pillars: Access & Inclusion, Health & Safety, Economic & Human Progress. It is assessed according to sector benchmarks that are internally defined, including based on societal challenges identified by the UN's Sustainable Development Goals. The total contribution is the sum of each activity's contribution to the 3 pillars, as a percentage of turnover represented by each activity. This indicator is suitable for a portfolio and takes into account all the negative and positive impacts of a company's activities on society.

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

² <https://fr.sycomore-am.com/telecharger/1329406490>

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

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

As such, companies with a Good Jobs rating or a Happy@Work Environment rating greater than or equal to the selected thresholds make a significant contribution to SDG 8.

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

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

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

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

1. **In compliance with Sycomore AM's SRI exclusion policy³:** activities are limited for their controversial social or environmental impacts, as defined and reviewed each year in Sycomore AM's basic policy (applicable to all direct investments of Sycomore AM) and in the Socially Responsible Investment (SRI) policy (applicable to all UCITS, mandates and dedicated funds managed according to an SRI strategy) such as: human rights violations, controversial and nuclear weapons, conventional weapons and ammunition, thermal coal, tobacco, pesticides, pornography, carbon-intensive energy production, oil and gas.
2. **Companies concerned by a level 3/3 controversy⁴:** identified based on in-depth analysis of controversies by Sycomore AM. Companies classified as most controversial (-3 on the Sycomore AM scale, from 0 to -3) are considered to be in breach of one of the principles of the United Nations Global Compact.
3. **SPICE rating below 3/5:** Through its 90 criteria, the SPICE methodology covers all environmental, social, and governance issues targeted by the indicators of adverse impacts on sustainability factors listed in the Regulatory Technical Standards. A lower rating, less than 3/5, indicates a lower sustainability performance on one or more negative impacts.
4. **According to Sycomore AM's Principal Adverse Impacts (PAI) policy⁵:** a PAI policy to identify additional risks of significant impacts on the environmental and social issues covered by the PAI indicators listed in Table 1 of Annex I of the SFDR Regulation is implemented. Companies meeting all the exclusion criteria relating to GHG emissions, biodiversity, water, waste, gender equality, the principles of the United Nations Global Compact/OECD Guidelines for Multinational Enterprises, or controversial weapons, will be declared 'unsustainable'.

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

The indicators for adverse impacts are taken into account through:

³ Further information is available on the website, which can be found at the end of this document

⁴ Ibid

⁵ Ibid

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.

- Sycomore AM's PAI policy, which is based directly on the indicators in Table 1 of Annex I and all relevant indicators in Tables 2 and 3. More detailed information on our PAI policy (in French) is available on our website⁶.
- the exclusion policy targets indicators of adverse impact on sustainability, including controversial weapons, exposure to the fossil fuel sector, production of chemical pesticides, and more generally, has been drafted to target companies that violate the principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- the management of controversies with the exclusion of issuers subject to very severe controversies valued at -3 on a scale of 0 to -3
- the SPICE rating, with the exclusion of issuers having a rating strictly below 3/5.

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

The development of Sycomore AM's 'SPICE' analytical framework and exclusion policy are based on the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, International Labour Organization standards and the United Nations Guiding Principles on Business and Human Rights. To assess the fundamental value of a company, analysts systematically examine how a company interacts with its stakeholders. This fundamental analysis aims to understand the strategic issues, business models, quality of management and degree of involvement, as well as the risks and opportunities facing the company. Sycomore AM has also defined its human rights policy in accordance with the United Nations Guiding Principles on Business and Human Rights.

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

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

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. Any other sustainable investments must also not significantly harm any environmental or social objectives.



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



The principal adverse impacts, as well as all other adverse impacts, are taken into account for any investment of the portfolio through the SPICE analysis and results, supplemented by the exclusion policy of Sycomore AM.

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

Of the 46 indicators of adverse impacts applicable to investee companies, excluding an element dedicated to fixed income investments (i.e. 14 indicators of the principal adverse impacts listed in Table 1 of the standard, as well as 32 additional indicators of adverse impacts listed in Table 2 and Table 3 of the standard), 42 indicators are part of the SPICE scope of analysis of adverse impacts (23

⁶ <https://fr.sycomore-am.com/telecharger/1725290979>

environmental indicators and 19 social indicators), and 4 indicators of adverse impacts are targeted by Sycomore AM's exclusion policy (1 environmental indicator and 3 social indicators).

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

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

Society & Suppliers (S): The S rating reflects the company's performance vis-à-vis its suppliers and civil society. The analysis concerns the societal contribution of products and services, social responsibility, and the subcontracting chain. Adverse sustainability indicators, including the lack of a supplier code of conduct, inadequate whistle blower protection, lack of a human rights policy, lack of due diligence, risks related to human trafficking, child labour or compulsory labour, cases of serious human rights issues, and risks related to anti-corruption policies, aim to address the adverse impacts addressed in the Society & Suppliers section.

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

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

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

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

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

 No



What investment strategy does this financial product follow?

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

The investment strategy consists of a rigorous selection of bonds (including convertible and subordinated bonds) and other debt securities or money market instruments from private or public issuers and equivalent, and to which the net assets will be exposed on a permanent basis between 60% and 100%, including a maximum of 30% for public issuers and equivalent, with a maturity of at most one year after 31 December 2030. In addition, the net assets may be exposed up to 40% to fixed income derivatives listed on international regulated markets or traded over the counter, to adjust the modified duration and exposure of the portfolio, without allowing an overexposure. Indirect exposure to stocks, gained through convertible bonds will be limited to 10% of assets.

When bonds held in the portfolio mature and are redeemed, the manager may reinvest the proceeds from these redemptions, and up to 100% of the Fund's net assets in bonds and other debt securities or money market instruments with a maturity not exceeding 31 December 2030, in order to maintain the portfolio invested.

- ***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?***

The following mandatory criteria apply to the Fund.

For investments in companies, the following exclusion filter applies: any company which presents risks in terms of sustainable development is excluded. The risks identified include non-financial practices and performance which may call into question the competitiveness of companies. A company is thus excluded if:

- it is involved in activities identified in the Sycomore AM SRI exclusion policy for its controversial social or environmental impacts, which also include investments that are concerned by a severe controversy (level 3/3).
- it obtained a SPICE rating strictly below 2/5.

For bonds, other international debt securities and short-term negotiable securities from private issuers: these will be selected through an in-house rating of the issuing Country strictly above 2.5 on a scale of 5 (5 being the highest rating), the Country being thus considered as sufficiently sustainable and inclusive.

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

NA

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

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

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

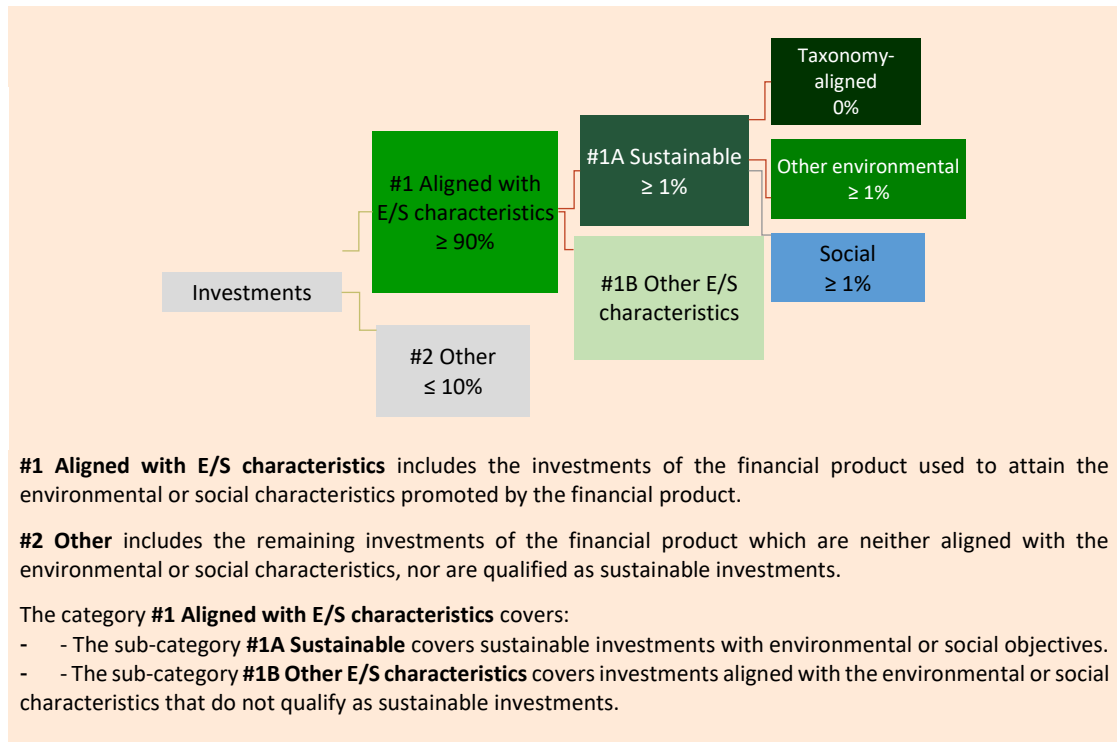
Other requirements to exclude from the investment universe insufficient governance practices in section 'G', associated with a minimum threshold, are included in Sycomore AM's exclusion policy.



What is the asset allocation planned for this financial product?

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

Asset allocation describes the share of investments in specific assets.



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

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

The use of derivatives is not taken into account to attain the environmental or social characteristics promoted by the financial product.



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

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

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.

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

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

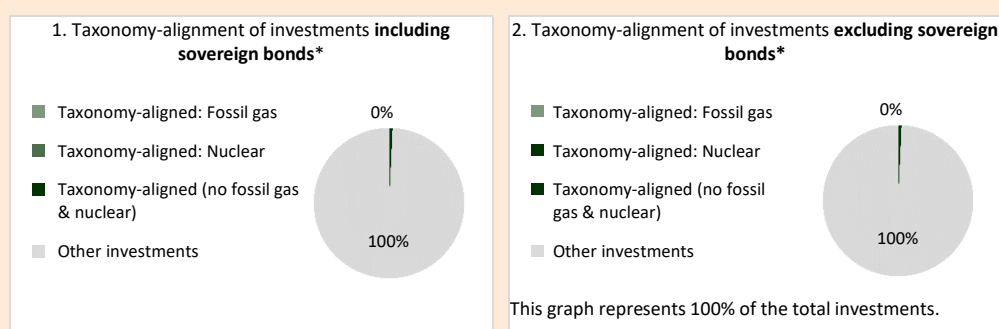
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?⁷

☐ Yes:
 ☐ In fossil gas
 ☐ In nuclear energy

☒ No

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



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

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

The Fund makes no commitment for a minimum portion of investments in transitional and enabling activities.

⁷ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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



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

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



What is the minimum share of socially sustainable investments?

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



What investments are included under 'Other', what is their purpose and are there any minimum environmental or social safeguards?

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

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



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

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

The Fund's reference benchmark is a broad market index.

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



Where can I find more product specific information online?

More product-specific information can be found on the website (in French): <https://fr.sycomore-am.com/fonds/53/sycoyield-2030>