

2018
RE
PORT

SYCO **WAY**
AS AN INVESTOR

OUR APPROACH AS RESPONSIBLE INVESTORS
SYCOMORE LONG/SHORT OPPORTUNITIES

Report published on June 30th 2019 pertaining to the Sycomore Long/Short Opportunities fund and compliant with the requirements of Article 173-VI of law n°2015-992 of August 17th 2015 on the “energy transition for green growth” of December 2018.



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Introduction

This report concerns the Sycomore Long/Short Opportunities fund, a flexible strategy with partial “sustainable development integration”. It should be read together with Sycomore AM’s “Sycoway as an Investor” report. It is compliant with Article 173-VI of law n°2015-992 of August 17th 2015 on the “energy transition for green growth”. For more information on the methods and resources used for the sustainable development-driven analysis of the companies that make up our investment universe, please consult Sycomore AM’s “[Sycoway as an Investor](#)” report.

The Sycomore Long/Short Opportunities fund is managed with a partial integration of sustainable development factors: the fund manager-analysts are free to use our valuation tools which include companies’ SPICE⁽¹⁾ ratings. However, this needn’t be systematic.

This report does not include indicators pertaining to the “sustainable development” quality of portfolio investments. As the fund managers do not carry out a systematic SPICE analysis on underlying companies, we feel it is not particularly relevant to measure the fund’s SPICE ratings.

Our ENGAGEMENT and VOTING at shareholders’ meetings

Engaging with companies is a key tenet of our role as investors:

- ▶ Meeting the management and conducting on-site company visits are particularly important aspects of our research effort. Our objective is to gain a deep understanding of the company based on the realities of its operations and the vision of its executives.
- ▶ When preparing our votes at shareholders’ meetings, we discuss our voting intentions with the companies concerned and inform them of our voting policy and of the best practices we wish to promote. We also physically attend some of the meetings.

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These talks enable us to identify and recommend best practices, notably in areas of governance, human rights, or on social, societal and environmental issues. We encourage companies to integrate these challenges as a core strategic axis, and to improve transparency on the means in place and the results achieved.

In 2018, Sycomore AM formally engaged with around 100 portfolio companies and identified 230 areas for improvement: this engagement process also included companies owned by the Sycomore Long/Short Opportunities fund.

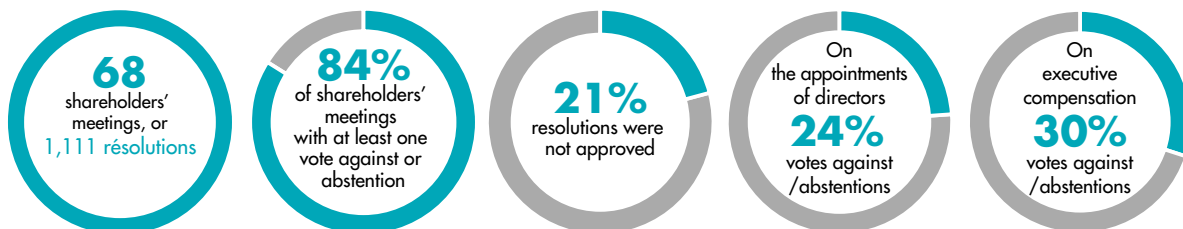
Examples of engagement initiatives are provided in the “[Sycoway as an Investor](#)” report published by Sycomore AM.

(1) SPICE for Society & Suppliers, People, Investors, Clients and Environment. For more information on our SPICE fundamental analysis model, please consult our [ESG Integration Policy](#).

OUR VOTING AT SHAREHOLDERS' MEETINGS

We actively vote at all shareholders' meetings held for companies owned by the portfolio. In 2017, our voting involved:

In 2018, we voted at 97% of the shareholders' meetings held for portfolio companies:



We did not exercise our voting rights in the following circumstances: the stocks in question were sold prior to the meeting; the shareholder meeting required share blocking for the period ranging from the registration of stocks to the effective vote; or an exceptional technical dysfunction occurred during the transfer of voting instructions. Ahead of the 2019 shareholder meetings, we have developed solutions designed to limit the risk of a technical dysfunction.

Our [Voting Policy](#) and [2018 Proxy Voting Report](#) are available on our website.