

PRI Reporting and Assessment survey 2011 Full Responses

Your organisation:

Sycomore Asset Management

Organisational overview

This section determines which questions in the survey are relevant to your organisation. Your organisation's characteristics also play a role in determining your peer group for benchmarking. Therefore, please ensure you provide accurate answers.

You will be provided with an *Other* category in some questions, but please only use this option if the alternatives listed do not represent you in any way, as this may prevent you from having results comparable with peers.

You will not be able to continue the online survey until you have completed fully both this section and the 'Governance, policy and strategy' section. However, you can prepare your answers for the following sections by reviewing the full list of questions and explanatory notes on the [PRI extranet](#).

This section may require you to collect information from multiple sources. We strongly recommend you begin collecting this information as soon as possible and before commencing the survey.

This section of the survey is not scored.

Q 2 What category best describes your organisation?

Please select **one category** which best represents your **primary activity**.

Investment managers (IMs)

Primarily invest directly in companies and other asset classes, not via third party funds

Q 4 As an investment manager, which category best describes the products and services your organisation provide(s)?

Please select one: Mainstream investment manager

Q 5 Which client category represents the highest proportion of your assets under management?

Please select one: Institutional investors

Q 6 Please indicate the number of staff your organisation employs and select the level of complexity that best describes your organisation?

Approximate number of staff: 32

Level of complexity of organisation: Simple

Q 7 What were your organisation's total assets under management as of 31 December 2010, including the assets of all your consolidated subsidiaries?

	billions	millions	thousands	units
Total AUM:	1	810	000	000
Currency:	Euro (EUR)			

Date of assets under management figure

	year	month	day
Date:	2010	December	31

The amount you indicated above is roughly equal to the amount calculated below in United States Dollars. Please confirm that this figure is approximately correct before proceeding. Exchange rates are from the International Monetary Fund.

Source: *IMF Exchange Rate archive, December 2010*

	billions	millions	thousands	units
Total AUM in USD:	2	403	682	372

Q 8 Please provide an approximation of your average asset mix for 2010 or your most recent count, in %.

(For asset classes you hold in insignificant amounts you may choose not to list them and will not be asked related questions. +/- 5% is sufficient; the sum of all the fields must be 100 %)

Asset class	Internal active	Internal passive	External active	External passive
Listed equity (developed markets)	100 %	%	%	%
Listed equity (emerging markets)	%	%	%	%
Fixed income - sovereign and other non-corporate issuers	%	%	%	%
Fixed income - corporate issuers	%	%	%	%
Private equity	%	%	%	%
Listed real estate or property	%	%	%	%
Non-listed real estate or property	%	%	%	%
Hedge funds	%	%	%	%
Commodities	%	%	%	%
Infrastructure	%	%	%	%
Cash	%	%	%	%
Other - please specify:	%	%	%	%

Please contact the PRI Secretariat at assessment@unpri.org before indicating that more than 10% of your assets fall into the 'Other' category. A response of 'Other' may render the benchmarking results less useful for you and your peers.

If you manage balanced or multi-asset class products with listed equity, fixed income and potentially other asset classes, the relative assets in these funds need to be separated out into the different asset classes.

Total (must add up to 100%): 100 %

Q 9 Please provide the following information based on your asset classes holdings:

(rough estimates of +/- 5% are fine; when negligible, please leave as zero)

B. What percentage of your assets invested in publicly listed companies are invested in companies where your organisation or external investment managers have significant control? Significant control implies that active ownership can influence change more so than proxy voting and engagement alone. 0 %

Governance, policy and strategy

This section is focused on the governance, policies and strategies guiding your organisation's approach to responsible investment (RI). 'Policy' in this section may refer to one overall RI policy or multiple policies that address various elements of RI or ESG issues. Some questions in this section are scored, while other questions are not scored but do determine the applicability of subsequent questions.

Please make sure you provide accurate answers. You will not be able to enter this section unless you have completed the "Organisational overview" section. **You will not be able to continue the survey until you have finalised this section.** However, if you wish to begin preparing your answers for the following sections, you may do so by reviewing the full list of questions and explanatory notes in the manual provided on the [PRI extranet](#). This section will be scored separately from the six Principles.

Q 11 Please provide a description of how your governance, policies and strategies address RI and ESG issues.

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

Established in 2001, Sycomore AM is a French independent investment firm. Majority-held (90%) by its founding partners and employees, it focuses on a single business: third-party asset management.

Regarding investment strategies, Sycomore AM target long-term returns by investing in companies whose share prices do not reflect their fundamental value. Our conviction-based and opportunistic investment lies on an active, non-benchmarked approach to selecting euro-zone stocks with no biases in terms of style, sector or market cap.

The investment process is highly structured and based on both fundamental analysis and portfolio construction. Since the start of the company in 2001, its fundamental analysis have included extra-financial criteria such as management quality or long term visibility.

In 2008, the founding partners decided to extend the fundamental analysis to ESG (Environment, Social and Governance) criteria. The strategy was to hire an expert in this area, to build a specific model and to apply it to the entire investment universe and to redefine Sycomore AM voting policy.

In 2010, Sycomore AM decided to implement the following guidelines regarding RI and ESG issues:

- 1- to assign an ESG rating to the 600 companies that make up Sycomore AM's active investment universe,
- 2- to introduce ESG risk premium to Sycomore AM's active investment universe,
- 3- to report on ESG imprint fund by fund and on demand,
- 4- to vote at meetings of all French companies held in portfolios,
- 5- to back-test our ESG model every year in order to improve it,
- 6- to take part of ESG events and initiatives,
- 7- to begin dialogue with companies on ESG issues.

Q 12 Do you have a policy or a set of policies that make specific reference to responsible investment, and if so, do they cover environmental, social, and governance issues?

Please select "Yes" or "No": No

If "Yes", which issue(s) does it cover?

Q 13 For the following asset classes, to what extent has your policy or approach to responsible investment been incorporated into internal management processes (e.g. business planning, strategic planning, or similar)?

Extent that your approach has been incorporated into internal management processes

Please select:

"Large", "Moderate", "Small" or "Not at all"

Asset class

Listed equity (developed markets)

Large

Q 14 Within your organisation:

- What roles are present?
- Who has a clear responsibility related to responsible investment implementation? and
- Are there incentives and/or training on RI/ESG issues?

	Roles present in your organisation	Responsibilities on RI/ESG	Incentives	Training
	Please check all that apply		Please choose among "Yes, for all", "Yes, for some" or "No"	
Board of trustees or board of directors and their committees	Yes	Yes	N/A	No
Chief Executive Officer or Chief Investment Officer or equivalent	Yes	Yes	No	No
Other senior management	Yes	Yes	No	Yes, for all
Portfolio managers	Yes	Yes	No	Yes, for some
Analysts	Yes	Yes	No	Yes, for some
Researchers				
RI or ESG specialist	Yes	Yes	No	Yes, for all
Other - please specify:				

Q 15 Select any of the following RI, ESG and/or SRI approaches that you or your external investment managers currently apply in the investment decision making process.

Please note that this question helps determine which questions you will be asked in subsequent sections, so please carefully review the definition of each possible answer.

Please select all those that are relevant
(columns are visible based on your answer
to Q8 on asset classes breakdown)

Internally managed Externally managed

Exclusion based on ethical criteria

Screening as a way to avoid the potential negative publicity surrounding the companies/sectors in question as it may adversely reflect on you or your manager's brand/license to operate

Screening based on a belief that exclusion or inclusion of certain investments from your investment universe can have a material effect on portfolio performance



ESG analysis within individual investment decisions, possibly including these factors into valuation and investment performance models



Themed investing

None of the above (this reply excludes any of the above)

Q 17 Please select any of the following active ownership activities that you, your external service providers or your external investment managers have undertaken in 2010 on behalf of your organisation?

Please note that this question helps determine which questions you will be asked in subsequent sections, so please carefully review the definition of each possible answer.

You may select any approach you or your external managers, service providers or partner entities adopt on your behalf

(Proxy) voting related to listed equity investments in the following asset classes: Listed equity (developed markets), listed equity (emerging markets), or listed real estate/property (including the votes on listed securities held in hedge funds).



File and/or co-file shareholder resolutions on listed companies.

Engagement on ESG issues with listed equity or fixed income issuers in the following asset classes: listed equity (developed markets), listed equity (emerging markets), listed real estate/property, listed securities held in hedge funds, or fixed income - corporate issuers.

None of the above (this reply excludes any of the above).

Q 18 Please add any overall comments and clarifications related to governance, policy and strategy here.

In order to implement our ESG guidelines, Sycamore AM hire an ESG specialist at the beginning of 2010. She is in charge of ESG research and voting policy. The ESG department is fully integrated into the management team (9 portfolio managers).

Principle 1 - We will incorporate ESG issues into investment analysis and decision-making processes.

This section focuses on the integration of ESG considerations into the investment process. The questions are split into three sections. Only questions relevant to your organisation will be displayed, based on your responses to Q 8 (your investment management structure and asset class breakdown).

The three sections are:

- I. Internally and actively managed investments;
- II. Externally and actively managed investments; and
- III. Passively (both internally and externally) managed investments.

Some questions in this section are scored. Any question that is scored, but is not relevant to your organisation, based on your investment management structure and asset class breakdown or other responses, will not affect your overall score for Principle 1.

You do not need to complete Principle 1 questions before completing questions for other Principles. While completing this section you are free to navigate to any of the other sections of the survey without losing answers already completed.

Definitions

Please note that this section of the survey focuses on investment decision-making processes and how ESG issues are integrated in these processes. It does not address the integration of ESG issues in other parts of your organisation and/or activities, such as the running of offices (e.g. how you manage your own organisation's waste) or your organisation's collaboration with other investors on ESG issues.

ESG Integration, as addressed in this section of the survey, relates to the consideration of ESG issues alongside traditional financial measures, based on the belief that ESG issues can affect the performance (risk and/or return) of investment portfolios (to varying degrees across companies, sectors, regions, and asset classes and through time).

Integration is considered to be:

- screening based on the belief that exclusion or inclusion of certain investments in the investable universe can effect materially on the portfolio's financial performance; and/or
- ESG analysis within individual investment decisions based on the belief that such analysis can effect materially on the investment's financial performance.

Please note the view that ESG issues can influence investment returns based either on:

1. The premise that performance on these issues will eventually be reflected in financial and operational outcomes and that externalised costs in the future will be priced and have an impact on revenue growth, margins, etc.; or,
2. The premise that the way in which the market rates or prices the stock will be affected even in the absence of an impact on financial or operational performance.

Exclusion of stocks or sectors from portfolios or down-weighting them based on the possibility that an association with the stocks may adversely affect the owners profile or brand amongst stakeholders is **not** regarded as integration. Also, exclusion based on ethical considerations of sectors is not considered ESG integration. However, screening based on norms that are believed to be material in the investment process are included in the above definition of integration.

Q 19 Please provide a description of your organisation's approach to this Principle. For example, how do your organisation's investment analysis and decision-making processes incorporate ESG issues?

If your assets are managed both internally and externally, please describe how you address this in both portions of your assets. In addition, please describe any activities you may be doing to integrate ESG issues into the management of those investments that passively track indices (if you use this approach).

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

Sycomore AM is an independent investment firm; we only manage European equity internally.

We always included extra-financial indications in companies' fundamental analysis. In 2008, specific ESG criteria (environment, social and governance) have been integrated into our mainstream analysis. In order to do this we improved our internal financial analysis model.

Our internal financial analysis model is based on a "fundamental risk note" to determine companies risk premium. This "fundamental risk note" goes from C- to A+ according to five indicators: "visibility", "solidity", "competition", "management", and since 2008 "responsibility". The last indicator refers to ESG criteria.

The integration of ESG criteria into financial analysis is the following: the ESG note is part of the "fundamental risk note" for every company. Then this "fundamental risk note" has an impact on risk premium (+/-20%) and then this risk premium has an impact on companies' target price.

To simplify, our ESG analysis has an impact on target price from -7 to +7%. This applies to our entire investment universe.

Our decision-making process is mainly based on upside potential of stock value. In that way, the fact that ESG criteria are impacting the target price means that decision-making process is directly linked to ESG analysis. For example stocks with high risks regarding ESG criteria will have less upside potential and may be excluded from investment our screening or divested earlier.

In addition and only for our SRI fund, we added qualitative and quantitative ESG filters into the selection process. We limit the investment universe to eligible stocks based on ESG criteria

Q 20 What percentage, by asset class, of your organisation's assets under active management internally integrate the consideration of RI/ESG issues in investment decision making processes - such as researching ESG information and/or constructing/managing portfolios - and to what extent?

Please note that the percentages requested here are different from the data in Q8.

Asset class	What percentage of assets under active management internally (see example in notes) (+/- 5 per cent is sufficient)	Research (gathering and analysing)	Portfolio construction and management
		If percentage is greater than zero, please select: "Large", "Moderate", "Small" or "Not at all"	
Listed equity (developed markets)	100 %	Large	Large

Q 21 For the assets under active management internally that integrate the consideration of RI/ESG issues, to what extent do you have a process for monitoring the capability of investment analysts, portfolio managers and other relevant investment professionals on how they integrate the consideration of RI/ESG issues into investment analysis and decision-making processes?

Applies only to investments that include integration of RI/ESG issues as indicated in Q20.

Monitoring

Please select:

Asset class	"Large", "Moderate", "Small" or "Not at all"
Listed equity (developed markets)	Large

Q 25 Please add any overall comments and clarifications related to Principle 1 here. Please also describe any significant activities relating to Principle 1 not already captured by your answers above.

For questions 20 and 21, we answered that portfolio construction and monitoring of RI/ESG issues into decision making-process are largely considered because our ESG criteria are fully integrated into the risk premium.

ESG criteria cannot be ignored by portfolio managers as it is part of the potential value added. We don't have to monitor it; it is completely integrated into screening and valuation tool.

However, there is no ESG constraint (exclusion) for traditional funds. ESG constraint only applies to our SRI fund based on a "Responsibility note" threshold.

Principle 2 - We will be active owners and incorporate ESG issues into our ownership policies and practices.

This section is focused on active ownership and is divided into three parts. You will see only those questions relevant to your organisation.

The first part addresses voting related to listed investments. The second part addresses non-voting engagement activities undertaken by your organisation or on your behalf by third parties with listed equity and corporate fixed income issuers. For the purpose of this survey, the term 'engagement' refers to non-voting contact with companies to discuss concerns regarding ESG issues. The third part addresses ownership and engagement practices for other asset classes such as sovereign and other non-corporate fixed income issuers, private equity, non-listed real estate/property, hedge funds, and infrastructure. This third section also covers any listed equities where investors have significant control (as defined in Q9, explanatory note [B]).

The third section is necessary to account for the differing levels of influence that investors may acquire when investing in other asset classes versus those of listed equities.

The contents and parts for this section of the survey are therefore:

1. Voting and engagement activities related to listed equity investments undertaken by:
 - A. internal staff;
 - B. external parties (e.g., service providers and external managers).
2. Engagement activities related to corporate fixed income issuers;
3. Ownership and engagement activities for sovereign and other non-corporate fixed income, private equity, non-listed real estate and property, hedge funds, and infrastructure, as well as listed equities when they represent significant control.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

Please note that for this survey, proxy voting activities entail any casting of votes at AGMs and the filing or co-filing of resolutions. Engagement activities refer to all interactions with investee companies that are not related to voting activities. Engagement activities should seek to achieve relevant information and promote better ESG performance by companies. Such activities involve usually written communications, phone calls and meetings with management. For indirect investors in certain asset classes, such as private equity, infrastructure, and non-listed real estate, active ownership may not be possible with the underlying asset. Active ownership in this case should be viewed as engaging with third party managers to consider and interact on ESG issues with underlying holdings. Working with governments to modify laws, rules and regulations in favour of ESG issues should not be counted as engagement in this part of the survey and it will be addressed separately in Principle 4 and 5.

Q 26 Please provide a description of your organisation's approach to this Principle. For example, how is your organisation an active owner and how does it incorporate ESG issues in its ownership policies and practices?

Describe both your voting activities and any other engagement activities you undertake across the different asset classes you hold.

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

In 2011, Sycomore AM has unveiled a new voting policy based on the recommendations of the Association Française de Gestion (AFG). It has been enlarged to ESG issues and especially corporate governance. The policy is public and available on our website. We report carefully on our voting activities every year.

Sycomore AM's voting policy looks over:

- The way we exercise our voting rights (universe, responsibility, organisation, analysis...);
- The respect of minority shareholders' rights ("one share-one vote" principle, poison-pills, and resolutions from minority shareholders...);
- The supervisory board organisation (independence, committee...);
- The remuneration policy (executive directors and non-executive directors);
- The financial structure (capital increase, corporate bonds, stock-options...).

The voting policy also clarifies that we are in favour of environmental and social resolutions.

As a French asset manager we vote at meetings of all French companies held in our portfolios. Regarding foreign companies we vote only if Sycomore AM is a significant shareholder (over 2% of capital). This voting universe represents around 70 to 80% of our positions.

Finally, at the moment Sycomore AM do not practice engagement but keep a continuous dialogue with companies regarding ESG integration. For example, in 2010 we met with 67 companies for ESG issues and we contacted all companies analysed where the level of transparency was too poor.

Q 27 Do you have a (proxy) voting policy, and, if so, does it address environmental, social and governance (ESG) issues?

Do you have a voting policy? Yes

If Yes, please select all that apply: Social
Governance

Q 28 For listed equities, please indicate the ratio of (proxy) votes cast, either directly or via third parties (such as an external service providers or external investment manager), against those you could have cast in 2010 for at least one of the following measures:

- by ballots item or resolution;
- by meetings (e.g. AGMs, EGMs, special);
- by listed assets under management.

Please answer for at least one of these measures, if available please provide others as well

We do not track our listed equity voting activities

	Ballot items	Meetings	Listed assets	
Actually cast vs. all you could have cast	%	%	1 %	

Q 29 For listed equities, who makes voting decisions on behalf of your (or your client's) organisation? Please rank the importance of the different groups listed below based on the proportion of decisions made by that group.

Please note that subsequent questions will be asked specifically on the group that you list as most important and - if specified - of the second and third most important. Only the activities of the most important will be scored.

- Please select from:
 "Internal investment manager or other internal staff"
 "Internal voting or governance group"
 "External investment manager"
 "External proxy voting service"
 "External service provider" or
 "Other third party voting support entity"

Most important:	Internal investment manager or other internal staff
Second most important:	External proxy voting service
Third most important:	

Q 30 For those listed equity votes you cast:

a. to what extent is information related to voting items gathered and analysed before voting decisions are made; and

b. do you monitor whether voting is done in accordance with your voting instructions?

a. Information gathered and analysed	b. Monitor voting
Please select "Large", "Moderate", "Small" or "Not at all"	Please select "Yes, for all", "Yes, for some" or "No, we make no effort to ensure"
Large	Yes, for all

Q 31 Do you pro-actively inform your listed equity companies of your rationale when you abstain or vote against management recommendations?

Please select one: No, we make no effort to ensure

If "Yes", please indicate how this disclosure is communicated to companies.

If answering "No", please explain why.

Our engagement to vote at annual general meeting is new. Before 2011, we do not inform companies when we abstain or vote against management recommendation.

In 2011, we do not plan to systematize the information of companies when we dismiss a resolution. This could be possible case by case.

Q 32 For the listed equities that you manage, do you provide (proxy) voting services for your clients if they request them?

Please select one: Yes, according to our own policy

Q 33 For listed equity votes that your external manager or service provider casts on your behalf, to what extent did you monitor that voting decisions were analysed and made in accordance with your (proxy) voting policy?

Please select
"Large", "Moderate", "Small" or "Not at all"

Please select one: Large

Q 34 How does your listed equity securities lending programme address voting?

Please select one: We recall all securities for voting on all ballot items

Q 35 To what extent do you and/or your agents review shareholder resolutions put forward by other shareholders to determine whether or not to support the resolution?

Please select
"Large", "Moderate", "Small", "Not at all" or
"We do not vote on shareholder resolutions"

Voting - managed internally Large

Voting - managed externally Large

Q 51 Please add any overall comments and clarifications related to Principle 2 here. Please also describe any significant activities relating to Principle 2 not already captured by your answers above.

Comments on Q28:

The figures we deliver at Q28 are not relevant because we initiate our new voting policy in 2011. This policy enlarges our universe from 2011 that is why ratios for 2010 are low. Our targets for 2011 are different.

Principle 3 - We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 3 is about ensuring that information related to ESG issues is disclosed by companies and other entities in your organisation's investment universe. It is closely related to your activities on Principle 1 and Principle 2.

This section lists questions regarding:

- Who seeks ESG disclosure information for your organisation;
- The level of detail and content that is sought;
- The information you may be seeking regarding norms, standards, codes of conduct or international initiatives related to RI/ESG.

While completing this section you are free to move to other sections of the survey without losing work you have already done.

Q 52 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation seek appropriate disclosure on ESG issues by the entities in which it invests?

Note that this text - in addition to being part of the full survey - will also be part of the survey's *Executive Summary*. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

At Sycomore AM, the ESG department is fully integrated into the management team. That is why the complete ESG analysis is disclosed to every portfolio managers.

1/ From the investment managers' sight:

Sycomore AM has an internal database where all financial and extra-financial information are disclosed. This software has been made by Sycomore AM and is accessible and used by each member of the management team. It is composed of all traditional data such as balance sheet, income statement, risk premium, financial hypothesis; and all extra-financial data: environment, social and governance.

Then, when a sectorial analysis is completed, an email is sent to the asset management team. This email summarizes: ESG notes, E, S and G notes, the sectorial ranking, the main ESG drivers, the worst company, the best company.

2/ From the companies' sight:

In order to be sure that all ESG information is disclosed by entities, we make contact with Investor Relations. We inform the company only if we do not find sufficient ESG data. This is part of our continuous dialogue with companies regarding ESG integration.

3/ From regulations' sight:

Sycomore AM is member of the "sustainable development" committee of the SFAF (Société Française des Analystes Financiers). The "sustainable development" committee gathers every month representative personalities of French financial players, asset managers or brokers that are involved in a SRI approach. This committee has been made up to discuss key topics such as the implementation of the French Grenelle 2 law for the environment and the promotion of the extra-financial analysis.

Q 53 Who asked for and/or collected from your organisation's investee companies (or other investment entities) information about their ESG policies, practices or performance in 2010?

Please select all that apply

Internal staff	<input checked="" type="checkbox"/>
External investment manager(s)	<input type="checkbox"/>
External engagement service provider(s)	<input type="checkbox"/>
External research providers	<input checked="" type="checkbox"/>
Brokers / dealers	<input checked="" type="checkbox"/>
Other - please specify:	

None of the above: Investee companies, or other investment entities, were not asked to provide information about their ESG policies, practices or performance in 2010 (please specify below why not)

If investee companies were not asked, please specify why.

Q 54 To what extent did you or your external agent(s) seek appropriate disclosure on ESG issues by the investees and, where necessary, encourage investee companies to produce standardised and/or systematic reporting about their ESG policies, practices or performance in 2010?

Please select:
"Large", "Moderate", "Small" or "Not at all"

Asset class

Listed equity (developed markets)	Moderate
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Q 55 In which format or mechanism have you or your third party agents requested reporting on ESG policies, practices or performance?

Reporting formats Please select all that apply

Integrated with regular financial reports	<input checked="" type="checkbox"/>
Standalone corporate (social) responsibility or sustainability reports	<input checked="" type="checkbox"/>
Global Reporting Initiative (GRI)	<input checked="" type="checkbox"/>
Carbon Disclosure Project (CDP)	<input checked="" type="checkbox"/>
Global Framework for Climate Risk Disclosure	<input type="checkbox"/>
Communication on Progress (COP) by the United Nations Global Compact	<input checked="" type="checkbox"/>
Country-level company form of the Extractive Industries Transparency Initiative (EITI)	<input type="checkbox"/>
Submission of a tailored survey	<input type="checkbox"/>
Other reporting framework by an industry or association - please specify:	
None of the above	<input type="checkbox"/>

Q 56 To what extent did you or your third party agents seek information from companies regarding their practices related to norms, standards, codes of conduct or international initiatives/ declarations/ conventions related to ESG issues in 2010?

Please select:
"Large", "Moderate", "Small" or "Not at all"

Please select: Large

Q 57 Please add any overall comments and clarifications related to Principle 3 here. Please also describe any significant activities relating to Principle 3 that are not already captured by your answers above.

Principle 4 - We will promote acceptance and implementation of the Principles within the investment industry.

Principle 4 is about promoting the acceptance and implementation of the Principles for Responsible Investment (PRI) among your clients, service providers, partners, brokers/dealers and other investment industry players. In addition, it is about working with governments, regulators and international bodies to address and define approaches relating to ESG issues.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

Q 58 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation promote the acceptance and implementation of the Principles within the investment industry?

Please describe how you support the incorporation of ESG factors in the investment industry via mandates, incentives, Request for Proposals (RfPs), policy discussions etc. Please, indicate how your organisation does this in relation to clients and/or beneficiaries, peers or other entities.

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

In order to promote the acceptance and implementation of ESG criteria within the investment industry, Sycomore AM introduce different elements:

1/ Sponsorship of the "Prix du Forum pour l'Investissement Responsable"

Launched in 2006, the Prix FIR-PRI is willing to support academic research in the finance and sustainable development domains. Sycomore Asset Management has wanted to encourage the action of Forum pour l'Investissement Responsable and is now partner and Jury member of the Prix FIR-PRI 2011.

2/ Member of the "sustainable development" committee of the SFAF.

The 'sustainable development' committee of the SFAF (Société Française des Analystes Financiers) gathers every month representative personalities of French financial players, asset managers or brokers that are involved in a SRI approach. This committee has been made up to discuss key topics such as the implementation of French Grenelle 2 law for the environment and the promotion of the extra-financial analysis.

3/ Launch of a SRI stock picking fund : Sycomore Sélection Responsable

Our transversal approach led us to launch a SRI stock picking fund offering a responsible stock selection according to an ESG analysis in conformity with sustainable development principles. The fund has sharing shares offering the possibility to donate a part of the fund income to foundations and associations.

4/ Fund reporting and ESG imprint

This is a cross disciplinary analysis of ESG risk exposure and opportunities by sector and fund. We started to deliver specific ESG reporting in 2011 for the SRI fund and we will do the same for every traditional fund in the next few months in order to give more information on ESG issues to every client.

5/ Request for Proposals

Every clients and/or beneficiaries have the opportunity to ask for specific ESG imprint. Based on our integrated ESG model, we are able to analyse each fund from specific E and/or S and/or G analysis.

6/ Engagement of transparency:

We consider that ESG research and analysis are particularly unrecognized by retail clients. Sycomore AM has signed the "Code de transparence AFG-FIR". This code gives guidelines for asset managers to specify what they have to disclose. This is a way to implement the acceptance of ESG criteria within the investment industry.

7/ Broker involvement

Sycomore AM includes specific SRI evaluation for brokers delivering equity research. We take into account the quality of SRI research, the existence of specific SRI sales force, the organisation of SRI Roadshow (corporate access) and the organisation of SRI debates.

Q 59 Did you include RI/ESG considerations when working with service providers and/or external investment managers in 2010 (where applicable)?

Specifically when:

- a. searching for service providers or external managers;
- b. agreeing on service requirements;
- c. structuring incentive schemes.

Service providers or external managers	a. Searches	b. Agreements	c. Incentives	We do not work with this type of provider
	If you work with this type of service provider, please select "Yes, for all", "Yes, for some" or "No"			
Brokers / dealers	Yes, for some	Yes, for some	Yes, for all	
External engagement service provider				✓
Investment consultant				✓
Investment research provider				✓
Proxy voting service provider	Yes, for all	Yes, for all	Yes, for all	

Other - please specify:

Q 60 To what extent did you encourage peer organisations and/or your institutional clients and/or other investment industry players to consider RI/ESG issues in 2010?

Please select:
"Large", "Moderate", "Small" or "Not at all"

Please select: Large

Q 61 Does your broker evaluation process (which determines how you allocate commissions to brokers) include an ESG component, and/or do you have a budget to pay for broker research on ESG issues?

Please select:
"Yes" or "No"

Please select: Yes

Q 62 To what extent do you identify ESG issues and suggest them to brokers or other investment research providers for research?

Please select:
"Large", "Moderate", "Small" or "Not at all"

Please select: Large

Q 63 To what extent did you engage in dialogue, lobbying or initiatives pertaining to government policy and/or industry regulations related to RI/ESG issues in 2010?

Please select:
"Large", "Moderate", "Small" or "Not at all"

Please select: Moderate

Q 64 Please add any overall comments and clarifications related to Principle 4 here. Please also describe any significant activities relating to Principle 4 not already captured by your answers above.

We answer "moderate" to question 63 because we started our dialogue in 2010. In the future the objective is to answer "large". That is to say that we will dialogue and be part of RI/ESG discussions so far as we can.

Principle 5 - We will work together to enhance our effectiveness in implementing the Principles.

Principle 5 is about collaborating with others in your implementation of responsible investment. The questions in this section are designed to capture the many ways in which signatories collaborate (for example by using the PRI Clearinghouse), and thus may overlap with areas discussed previously in the survey. However, the focus here is only those activities that involve working with others to implement the Principles.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

Q 65 Please provide a description of your organisation's approach to this Principle. For example, how does your organisation work with other parties to enhance its implementation of the Principles?

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

Collaborating with others in the implementation of responsible investment is a key issue for Sycomore Asset Management. We are convinced that sharing best practices is necessary to improve Socially Responsible Investment in the finance community.

1/ Sycomore AM participates in different networks:

1-1 Voting practices' network:

- Sycomore AM works with Proxinvest, an independent French proxy voting advisory company. Each year, after consulting with investors in the autumn, Proxinvest updates its voting policy recommendations for the following year. This is a way for Sycomore AM to discuss about voting practices and new regulation with other investors. Sycomore AM also uses proxinvest's platform daily to analyse resolutions and to follow controversies.
- Sycomore AM is member of the AFG (Association Française de Gestion) that provides specific governance alerts on companies' AGM for investors. The AFG also informs investors when a resolution is proposed by minority shareholders in order to have the opportunity to take part of it. The resolution could be on ESG issues such as Total for the 2011 AGM.

1-2 SRI's network:

- Sycomore AM is member of the "sustainable development" committee of the SFAF The 'sustainable development' committee of the SFAF (Société Française des Analystes Financiers) gathers every month representative personalities of French financial players, asset managers or brokers that are involved in a SRI approach. This committee has been made up to discuss key topics such as the implementation of the French Grenelle 2 law for the environment and the promotion of the extra-financial analysis. Together, members of this committee are writing a guide on SRI topics by sector to those interesting in extra-financial issues (corporate, investors, financial analysts...).
- Sycomore AM as a PRI signatory is part of SRI discussion for example by using the PRI Clearinghouse. Through the PRI, SRI issues are collectively addressed.
- Sycomore AM works with brokers involved in SRI research. They organise thematic events for investors. This is again an opportunity to exchange on SRI practices. For example in 2010-2011 Sycomore AM participated in different roundtables: certification of ESG data, SRI tendencies, minority shareholder's rights, top management remuneration, pension provision...
- Sycomore AM is also part of SRI events organised by different associations: Novéthic, ORSE, FIR...

2/ Sycomore AM supports different initiatives to promote SRI:

- Sycomore AM sponsors of the "Prix du Forum pour l'Investissement Responsable"
Launched in 2006, the Prix FIR-PRI is willing to support academic research in the finance and sustainable development domains. Sycomore Asset Management has wanted to encourage the action of Forum pour l'Investissement Responsable and is now partner and Jury member of the Prix FIR-PRI 2011.
- Sycomore AM participates to the annual survey carried out by Novéthic. Novéthic, part of Caisse des Dépôts et Consignations, is the leading research centre in France on Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) and a sustainable development media expert.
- Sycomore AM supports initiatives to involve SRI in retail banking. In 2010, Sycomore AM participates to the "Salon de l'Actionnariat", a French conference for private investors. A roundtable on new investment criteria was organised and Sycomore AM was invited in order to present SRI and ESG criteria; and the way we integrate it in the investment decision process.
- Sycomore AM organised in October 2010 a roundtable for its institutional clients on SRI. It was the opportunity to introduce our new engagement, our integrated approach and the impact of ESG criteria on stocks valuation.

Q 66 To what extent did you collaborate with other investors in regard to the Principles, and what Principle did you collaborate most on?

Extent of Collaboration	Principle you collaborated most in
Please select: "Large", "Moderate", "Small" or "Not at all"	Please select: Principle 1, 2, 3, 4 or 6
Moderate	Principle 4

Q 67 Did you log in to the PRI Engagement Clearinghouse in 2010 and if so, how did you use it?

Logged in?	If Yes, please select all that apply
Yes	Used it as a learning tool or keep up to date with current engagements

Q 68 Did your organisation participate in any RI/ESG-issue related associations?

Among those you did participate in, please select:

- the first, second and third most important to your organisation, and
- for the three most important, to what extent your organisation participated.

For those not listed, please use the 'Other' field.

Associations	Please select all that apply	Please select only one "Most important", one "Second most important" and one "Third most important"	Only for these three most important, please select to what extent: "Large", "Moderate" or "Small"
Other (1) - please specify: Prix Forum pour l'investissement socialement responsable (FIR-PRI awards)	✓	Second most important	Large
Other (2) - please specify: Commission Développement Durable de la société des analystes financiers (SFAF)	✓	Most important	Large
Other (3) - please specify: Proxinvest	✓	Third most important	Moderate

Q 69 Please add any overall comments and clarifications related to Principle 5 here. Please also describe any significant activities relating to Principle 5 not already captured by your answers above.

Principle 6 - We will each report on our activities and progress towards implementing the Principles.

Principle 6 is about your organisation's reporting of responsible investment activities (as opposed to Principle 3 which relates to the reporting of your investees or potential investees). The questions in this section focus on how you disclose your activities regarding the implementation of the Principles and where that disclosed information can be found.

While completing this section you are free to move to any of the other sections of the survey without losing work already done.

Q 70 Please provide a description of your organisation's approach to this Principle. For example, in what ways does your organisation report your implementation of the Principles? Please include any sort of disclosure and transparency practices you have adopted.

Note that this text - in addition to being part of the full survey - will also be part of the *Executive Summary* of the survey. The *Executive Summary* is a separate document that will collate the text you provide for each of the introductory sections of the survey (GPS and the six Principles).

Sycomore AM tries to be transparent on investment practices. That is why from start we provide a clear description of processes to our clients. The integration of new criteria into our investment practices is clearly considered as part of the process. In 2010, we updated the sales brochure in order to explain the new criteria "Responsibility" that was added to our fundamental analysis.

At the same time, Sycomore AM decided to inform widely on ESG analysis and its support for the Principles for Responsible Investment:

- Sycomore AM describes the SRI approach through a dedicated page on its website: <http://www.sycomore-am.com/en/institutionnels/Our-expertise/Our-SRI-Approach> ;
- Sycomore AM promotes the PRI with a news on its website (when we became a signatory on July 2010) and with a permanent link to the UN-PRI website ;
- Sycomore AM makes the start of the integration of ESG research by organising a thematic lunch for institutional investors in October 2010 ;
- Sycomore AM organises continuous marketing to introduce ESG analysis and the SRI fund to the clients ;
- Sycomore AM realises a video where the Portfolio manager in charge of ESG research explain the way Sycomore AM takes into account the sustainable development. The video is available on the website: <http://www.sycomore-am.com/fr/institutionnels/Videos/39-Presentation-du-fonds-de-stock-picking-ISR-Sycomore-Selection-Responsible>.

In addition, we complete this process with dedicated information:

- Sycomore AM develops a specific ESG reporting for the SRI fund. This reporting is integrated into the classical one and is published once a month on the website: http://www.sycomore-am.com/files/FR0010971705/reporting_uk_selection_responsable_i.pdf). It details the imprint on extra-financial criteria such as: environmental performance, labour practices, accounting risks, minority shareholders rights... This type of report will be generalised to every funds by the end of 2012.
- Sycomore AM publishes the "Code de Transparence des fonds ISR" of the AFG, "Association Française de Gestion", and the FIR, "Forum pour l'Investissement Responsable". This is a code of transparency that describes the integration of ESG criteria in the fundamental analysis and the impact on investment processes. This code is available on the website: http://www.sycomore-am.com/files/shared_documents/Code_de_transparence_AFGFIR_SSR.pdf.
- Sycomore AM is committed to realise a back testing of its ESG model once a year from 2011. The objective is to evaluate the materiality of each ESG criteria. A report will be aimed to Sycomore AM's clients.

Then, in 2010 Sycomore AM has established a new voting policy that is updated as the need arises and that describes how it intends to exercise the voting rights attached to shares held within the mutual funds that it manages. The voting policy for 2011 is available on the website: <http://www.sycomore-am.com/files/reglement/Nouvelle-PDV-2011-SAM.pdf>.

Sycomore AM also draws up a yearly report on how it exercised the voting rights attached to shares held within the mutual funds that it manages. The report for 2010 is available on the website: http://www.sycomore-am.com/files/reglement/Rapport_Vote.pdf.

Q 71 To what extent did you disclose, either to clients/beneficiaries or publicly, your policy and/or approach to incorporating ESG issues into investment analysis and decision-making processes in 2010?

Please select:
 "Large", "Moderate", "Small" or "Not at all"

Large

If you disclosed, please indicate how this disclosure can be obtained - a web address (URL) would be sufficient. If answering *not at all*, please explain why not.

Yes, you did disclose: www.sycomore-am.com
how can it be obtained

Did not disclose publicly:
please explain why not

Q 72 Did you disclose your voting policy in 2010?

Please select one: Yes - disclosed publicly

If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.

Yes, disclosed publicly: <http://www.sycomore-am.com/files/reglement/Nouvelle-PDV-2011-SAM.pdf>.
how can it be obtained

Did not disclose publicly:
please explain why not

Q 73 Did you disclose your (proxy) voting record in 2010, and if so:

- How much of your voting record did you disclose?
- Did you disclose the explanations/reasons for voting as you did?
- How frequently did you disclose?

Did you disclose? (please select one)	How much of your voting (please select one)	How much explanation? (please select one)	How frequently? (please select any applicable)
Yes - disclosed publicly	Summary of votes only	Explained some votes	Disclosed annually

If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.

Yes, disclosed publicly: http://www.sycomore-am.com/files/reglement/Rapport_Vote.pdf.
how can it be obtained

Did not disclose publicly:
please explain why not

Q 76 Did you disclose (either to clients/beneficiaries or publicly) RI/ESG activities, results and progress related to Principle 3, Principle 4 or Principle 5 in 2010?

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

Principle 3

No

If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.

*Yes, disclosed publicly:
how can it be obtained*

*Did not disclose publicly:
please explain why not* Sycomore AM has not already formalised a specific policy regarding principle 3.

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

Principle 4

Yes - disclosed publicly

If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.

*Yes, disclosed publicly:
how can it be obtained* http://www.sycomore-am.com/files/shared_documents/Code_de_transparence_AFGFIR_SSR.pdf.

*Did not disclose publicly:
please explain why not*

Please select "Yes, disclosed publicly", "Yes - disclosed to clients or beneficiaries only" or "Not at all"

Principle 5

Yes - disclosed publicly

If 'Yes, disclosed publicly', please indicate how it can be obtained - a URL would be sufficient. If not, please explain why not.

*Yes, disclosed publicly:
how can it be obtained* <http://www.sycomore-am.com/en/institutionnels/Our-expertise/Our-SRI-Approach>

*Did not disclose publicly:
please explain why not*

Q 77 Please add any overall comments and clarifications related to Principle 6 here. Please also describe any significant activities relating to Principle 6 not already captured by your answers above.