



## HELPING THE FRENCH ECONOMY RECOVER: MORE SOLID TODAY, MORE COMPETITIVE TOMORROW

French companies have been hit head-on by the recession. In entire swaths of the economy, companies have realised that they are unable to go it alone, even when they have solid fundamentals, including commercial potential, efficient organisational set-ups, and innovativeness. Even with all that, they must be able to rely on partners they trust in the midst of strong headwinds. And they must be able to bend without breaking.

This is what led to the launch of the Relance Durable France (“Sustainable Recovery in France”) initiative by the French Insurance Federation and Caisse des Dépôts et Consignations. It aims to channel investments, mostly in equity form, from a group of investors, in selected small and mid-sized companies that have been hit especially hard.

As it was already committed to helping to restart the French economic fabric, CPR AM naturally decided to join this initiative. And it is with this in mind that we have launched CPR Ambition France, a fund investing in listed small and mid caps. We are confident that French companies have the potential to return to the path of growth, as long as they have some help in doing so.

This fund is part of our more than 20 years of efforts to support the leading lights of the French economy. In this unprecedented crisis, CPR Ambition France combines its financial selectiveness and extra-financial approach in leveraging our long-standing positioning with selected companies to act as loyal partner and an active player in their transformation. The goal is to bring out their full potential over time.



By **Emmanuelle Court**,  
Deputy CEO in charge of Business Development

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### SUSTAINABILITY, INDEPENDENCE, REINVENTION: THE THREE KEYS TO THE RECOVERY

Support for companies is not something you improvise. The most urgent thing – and hence the top priority for Ambition France – is to provide resources to companies having solid business models, that are leaders in their sectors, and that create jobs in France, with the goal of getting them to the other side of this crisis. Some companies – restaurants and event-organisers in particular – suffered a total halt to their business in 2020. Now they are just trying to survive, by maintaining their physical and human capital. Whether they are able to rebound tomorrow will depend on their ability to rely, today, on a stable capital base. This is why we are investing in groups such as GL Events or Elis.

A successful restart will also mean filling the gaps exposed by the pandemic. The first of these is France’s and Europe’s weaknesses in producing and supplying products in highly strategic sectors, such as health and medical technologies, digital technologies, energy, food, cultural products and services. With Ambition France, we have decided to assist the development of companies able to limit this dependence, such as La Française de l’Énergie and Valneva. Such support is of obvious importance for sovereignty, which, in turn, opens up considerable prospects for growth.

Our relaunch strategy also requires taking on board another reality – the fact that the pandemic is changing society itself. New consumer behaviours have emerged and will be with us for some time to come. French companies must be able to adjust to the post-crisis economy. We have a role to play in helping them not miss the train of technological evolution, which is being driven in particular by data and digitalisation. This is the case of companies like Nexity, Ateme and Ekinops. But we also want to support them in transforming their business models so they take on board the challenges of sustainable development and the energy transition. We are quite confident that this crisis can help speed up the emergence of more sustainable companies.

That is why Ambition France has not hesitated to take on social focus. We will support companies on this path, helping them improve their environmental, social and governance practices.

Indeed, these companies will have to prove real extra-financial outcomes and demonstrate a positive impact on the French economy and society in general. To quantify this impact, we will monitor and report on several indicators, such as job creations in France, wage gaps, the percentage of staff having access to training, the proportion of women, and the work accident rate.

## A BOOST TO THE TRANSITION

More broadly, our responsibility as an actor in restarting the economy is to assist companies taking part in the emergence of an economy that better matches society's aspirations. Including the social dimension in our investment decisions is a commitment to the economy that makes sense and that addresses serious needs. More than ever, our choices must be underlain by the notion of a fair transition.

CPR AM now intends to focus even more on this approach, moving past the circle of major institutional investors to reach individual savers through our partners. In recognition of its determination to mobilise investors and savers in favour of a rapid and sustainable recovery in the economy, the fund has been awarded the French government's Relance label. As for us, we are confident that our sustainable stance, as a provider of investment solutions for French companies, will make the difference. And that tomorrow's recovery is playing out today.

## Examples of companies in the three pillars of the CPR Ambition France universe:



### GETTING TO THE OTHER SIDE

Support for companies by taking action to forestall the destruction of their physical and human capital

Examples



### PROMOTING SOVEREIGNTY

Support for companies that work to fill gaps in supply chains or that favour national sovereignty in the areas of healthcare, digital technologies, food, energy, etc.

Examples



### GETTING READY FOR TOMORROW'S ECONOMY

Support for companies that do their part in the emergence of an economy that better addresses society's aspirations

Examples



The same company can check several boxes at once.

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# CPR AMBITION FRANCE PROFILE

Launch date: 21 Oct. 2020  
France Reliance certification on 23 Oct. 2020  
AuM: EUR 59 million (as of end-January 2021)



## ELIGIBLE INVESTMENT UNIVERSE

- Listed French companies, all caps and all sectors except banking, finance and insurance;
- Companies deemed “responsible”, based on:
  - ESG criteria (particularly the social component); and/or
  - impact indicators (job creations in France, labour conditions, inequalities, etc.)

## END PORTFOLIO

From 60 to 80 stocks, at least 80% of which are small caps (i.e., with market caps between €100m and €2bn).

**Portfolio as of end-January 2021:** 97% invested, of which 88% in companies with market caps below €2bn and 9% between €2bn and €5bn

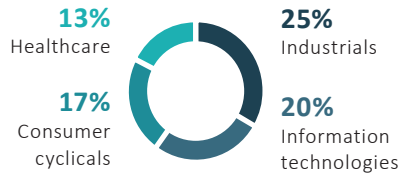
## OUTLOOK

After three years of rather disappointing performances by small and mid caps vs. large caps, we expect the catching-up they have done in the past three months of 2020 to continue in 2021 for the following reasons:

- Their weight of industrial stocks in the asset class, which is greater than that of large cap indices. Industrial stocks, moreover, are likely to benefit from the economic recovery.
- Small and mid caps are still more heavily exposed to their domestic markets and to the euro zone. They are therefore likely to:
  - benefit from European recovery plans, which are focused mainly on sustainable development and healthcare;
  - suffer less than large caps from the euro’s appreciation vs. other currencies.
- From the valuation viewpoint, the premium on small mid caps relative to large caps is below its average. Moreover, they are significantly less expensive than privately owned companies.
- Amidst low interest rates and intact cash flows, this is still a pro-M&A environment, while the French PACTE law facilitates delistings.
- Lastly, inflows could return to this asset class after drying up since 2018.

## MAIN PORTFOLIO SECTORS

As of end-January 2021:



## PERFORMANCES<sup>1</sup> AS OF END-JANUARY 2021

Since inception (21 Oct. 2020)	Last 3 months	Year to date
17.53%	23.12%	2.40%

1. Net performances in euro of CPR Ambition - France I (FR0013532728). Past performance is not a guide to future results.  
CPR AMBITION FRANCE - RISK PROFILE: Counterparty risk: Yes / Capital loss: Yes / Equity risks: Yes / Small cap risk: Yes / Liquidity risk: Yes / Investment period: > 5 years / Risk and reward profile (SRR): 6/7 The SRR corresponds to the risk/reward profile shown in the Key Investor Information Document (KIID). The lowest category does not mean “risk-free”. The SRR is not guaranteed and may vary over time.