

ARTICLE

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**Pierre Schang,**  
Manager of Tocqueville PME  
and Tocqueville France ISR



# “France is back”

Our civic engagement  
centred **on the French  
regions**



ASSET  
MANAGEMENT



TOCQUEVILLE  
Finance



## OBSERVATION

Since the fall of the Berlin Wall and end of the Cold War, the global economy has seen the unprecedented development of **international trade** and globalisation.

For a country like France, this phenomenon was synonymous not only with considerable **purchasing power gains** for consumers, but also offshoring, deindustrialisation and skyrocketing real estate prices in urban areas... triggering extensive changes in society.

With **17,000 contact points** in France (post offices, partnerships with city halls and retailers), La Poste Group operates all across the nation. Because we value the strength of our regions, local engagement is a core value for LBP AM.



### #Globalisation

Unprecedented development of international trade



### #France

Considerable purchasing power gains



### #Nation

17,000 contact points in France



## OUR VISION

France has reached a turning point.



As we see it, the country's economic performances over the coming decades could end up on par with those of Germany over the last 20 years.



There are **multiple levers** with the potential to drive this turnaround:



**Structural domestic reforms** implemented through substantial tax cuts (CICE competitiveness and employment tax credit created, corporate tax and production taxes reduced, housing tax eliminated, etc.) for a total of around €100 billion, which should gradually enhance the country's **competitiveness** and attractiveness.



**Growing influence on the construction of Europe** due to Germany's struggle in deciding on key issues for the future such as its energy mix, military capacities, geopolitical stance on China and the United States, etc. The power balance between France and Germany could very well tip in **France's favour**, thus steering the union's decisions towards its economic model.



**For the third year in a row, France ranked as the No. 1 most attractive country in Europe for foreign investors**, according to the EY survey published in May 2022. One out of five investment projects in Europe now takes place in France, creating jobs and economic benefits for the country. This **appeal** was made possible by the impact of the reforms to the presidential term of office (reduced to five years) and the stimulus plan, which stepped up and improved communication on the country's structural advantages.



**France’s ambition of reindustrialising** to combat the shortcomings highlighted by the Covid-19 crisis and the war in Ukraine is hard-wired into the political agenda. There are two areas of focus with the potential to fuel the renaissance of **French industry**: namely the digital transformation and the incorporation of environmental issues. France boasts keen expertise in nuclear power and renewable energy, and is working to create a new industry in green hydrogen, all sectors making critical contributions to the fight against global warming.



**Lastly, France is ideally positioned to take advantage of the new global growth cycle.** Emerging economies are in the process of changing their development model to focus on consumption. The expansion of the middle and even upper classes in these countries has generated an increase in **consumption** of luxury products and interest in travel, both of which happen to be specialities of the French economy.



## France is Back: is France an investment theme in its own right?

**France is a wellspring of natural investment ideas for French portfolio managers.** After all, it's our domestic market, a breeding ground for businesses, some of which extend their influence well beyond our borders. Even so, should France be considered as a genuine investment theme? If so, what are its purpose and promise? Can the reforms, still in progress, conducted under the presidency of Emmanuel Macron, put France in a good position to capture the new global growth cycle?



Listen to the interview with **Pierre Schang**, Tocqueville Finance

Podcast recorded on 16 November 2022 / Data taken at 30/10/2022

*This is an advertising communication. Please read the prospectus and key investor information document for each fund before making any final investment decision.*



## OUR SOLUTIONS

**Given our DNA as a good corporate citizen and our roots in the French regions**, it is vitally important for LBP AM And Tocqueville Finance to offer their expertise in service of French SMEs/ISEs in an effort to help them reach sufficient critical mass to penetrate new markets. Firmly believing that sustainable growth should be responsible, we are committed to supporting companies as they make efforts to improve their corporate social responsibility (CSR), so that we can build the economy of the future together.

**Our group helps fund French SMEs and ISEs through two channels** – listed and unlisted investments – to offer financing solutions tailored to the support and operational development of French corporates.

Find out more about "France is Back"

## Listed Financing by Tocqueville Finance:

Supporting French entrepreneurs through "structural champion" businesses and groups with a promising future

**France features as an investment theme through two funds in our range:** [Tocqueville France ISR](#) and [Tocqueville PME](#). Both invest not only in structural champions, but also in groups with a promising future. We boast multiple world leaders on the Paris exchange that spread French know-how all over the world in the luxury, tourism, aerospace and lifestyle sectors, to name a few. In our view, these players will benefit from the upswing in the French economy in the coming years.



Interview with **Pierre Schang** on Club Patrimoine  
[Is France an investment theme in its own right](#)

France also has several SMEs with strong competitive positions, poised to become the likely champions of tomorrow, based on our analysis. Supporting these companies means contributing to the development of employment and the entrepreneurial landscape in France.

## Tocqueville PME

Since its launch in 2013, Tocqueville PME has been specially designed to promote the funding of the local economy and thus contribute to the development of French SMEs and ISEs. The fund, eligible for PEAs (personal equity plans) and SME-oriented PEAs, obtained “Label Relance” certification in 2021, allow professional savers and investors to identify funds that invest in French companies (and particularly SMEs/ISEs), in a bid to mobilise funding for the post-health crisis recovery.



### MAIN RISKS OF TOCQUEVILLE PME:

- Risk of capital loss
- Equity and market risks
- Liquidity risk
- Discretionary portfolio management risk
- Interest rate risk (if interest rates decline)
- Sustainability risk

## Tocqueville France ISR

Tocqueville France ISR relies on two major performance drivers.

First of all, the flagship stocks on the CAC 40 that reflect the broad influence of French know-how around the world, particularly in the luxury and industrial sectors. These companies are geared towards the international market and tap into global growth as well as the rapid rise of emerging economies. Second, the fund also invests in small and mid cap stocks.



### MAIN RISKS OF TOCQUEVILLE FRANCE ISR:

- Risk of capital loss
- Equity and market risks
- Small and mid cap equity risk
- Discretionary portfolio management risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with the use of futures

## SMALL & MID CAP STOCKS AT TOCQUEVILLE FINANCE

- ▶ **Broad coverage of the small/mid cap universe:** from the smallest firms (micro caps, SMEs and ISEs: market cap < €7bn) to more developed companies (mid caps: market cap from €7bn to €12bn).
- ▶ **Rigorous and collaborative research** conducted to identify the champions of tomorrow, with managers boasting long-term strategic visions, less sensitive to economic and political pitfalls.
- ▶ **A large and experienced team:** four portfolio managers and one analyst with complementary profiles.
- ▶ **Experience:** more than 30 years' experience and strong regional roots.



### France is Back: a clear case for France as an investment theme with two in-house funds

"Tocqueville PME", specialising in SMEs, and "Tocqueville France ISR", are complementary France-themed investment fund that reflect the deep conviction of their portfolio managers: France is Back! Pierre Schang, portfolio manager at Tocqueville Finance, explains his convictions with the investment philosophy of these two funds.



Listen to the interview with [Pierre Schang](#), Tocqueville Finance

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# Unlisted Financing by LBP AM

**LBP AM’s corporate private debt sub-fund** seeks to offer debt financing support to SMEs and ISEs to help them finance new requirements, particularly by funding their investments and **external growth** operations. Over one hundred companies have already received this support, for a total of more than €1.7 billion through eight different funds at 30/10/2022.

**The Corporate Private Debt team** examines the integration of **ESG criteria** by portfolio companies and works with each to determine impact metrics, to help them initiate or strengthen an ambitious responsible model.

**Launched in early June 2022, LBPAM Mid Cap Senior Debt** aims to finance private companies offering high potential, according to our analysis, all over the country. The fund practices a long-term **buy-and-hold**\* strategy in order to provide companies with support over time. The fund, classified “Article 9” under the SFDR, takes an ambitious ESG management approach. It sets sustainable investment goals focused on social and climate themes. Non-financial criteria, negotiated directly with portfolio companies, are formalised in legal documentation.

## CORPORATE DEBT AT LBP AM

- ▶ **Four senior portfolio manager/analysts work directly with portfolio companies and intermediaries.** The team tracks the investment from A to Z, covering origination, credit analysis and the legal structure of corporate debt transactions, while also relying on three portfolio managers to monitor the debts post-investment. The Corporate Debt division has built up a track record spanning more than 10 years and has developed expertise in medium/long-term corporate finance (on issues of shareholder, economic or ecological and energy transformation).
- ▶ **The strategy relies on top-tier origination capability,** with multi-channel sourcing benefiting from the network of the various members of the corporate private debt team (private equity, family offices, banks, advisors, etc.) and the invaluable La Banque Postale contribution channel. The group, renowned for its extensive regional roots, has set ambitious development goals in corporate structured finance (with teams set up in Bordeaux, Lyon, Marseille, Nantes, Lille and Strasbourg).

\* Investment strategy aimed at buying debt securities and holding them to maturity.



[www.labanquepostale-am.fr/en](http://www.labanquepostale-am.fr/en)

## INVESTOR INFORMATION

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### **La Banque Postale Asset Management**

A public limited company (SA) with capital of 5,924,098.60 euros  
Paris Trade and Companies Register n° 879 553 857  
Registered offices: 36, quai Henri IV 75004 Paris  
APE code 6630Z – International VAT n°: FR 71 879 553 857

### **Tocqueville Finance**

A public limited company (SA) with capital of 2,520,547.80 euros  
Registered offices: 36, quai Henri IV 75004 Paris  
Paris Trade and Companies Register n°381 652 072  
An authorised portfolio management company regulated by the AMF  
under n° GP 91012.



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