

## Key figures

### PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	+0.59%
YTD (Year to Date)	+2.80%

### FUND SIZE

EUR 561.61m

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,996.40
C CHF hedged share	CHF 1,506.36
C USD hedged share	USD 1,427.12

## Financial data

### NUMBER OF LINES/ISSUERS

286 / 205

### NUMBER OF SECTORS<sup>1</sup>

36

### % MARKET EXPOSURE

98.68%

### THEORETICAL BETA

0.94

### AVERAGE RATING<sup>2</sup>

BB- (fund) / BB- (index)

### MODIFIED DURATION

2.97 (fund) / 3.41 (index)

### OPTION ADJUSTED SPREAD (OAS)

318bps (fund) / 298bps (index)

### AVERAGE YIELD TO WORST

2.65% (fund) / 2.39% (index)

### AVERAGE YIELD TO MATURITY

2.72% (fund) / 2.39% (index)

<sup>1</sup> Barclays sectors

<sup>2</sup> Based on the worst rating from S&P and Moody's

### MORNINGSTAR CATEGORY

EUR High Yield Bonds



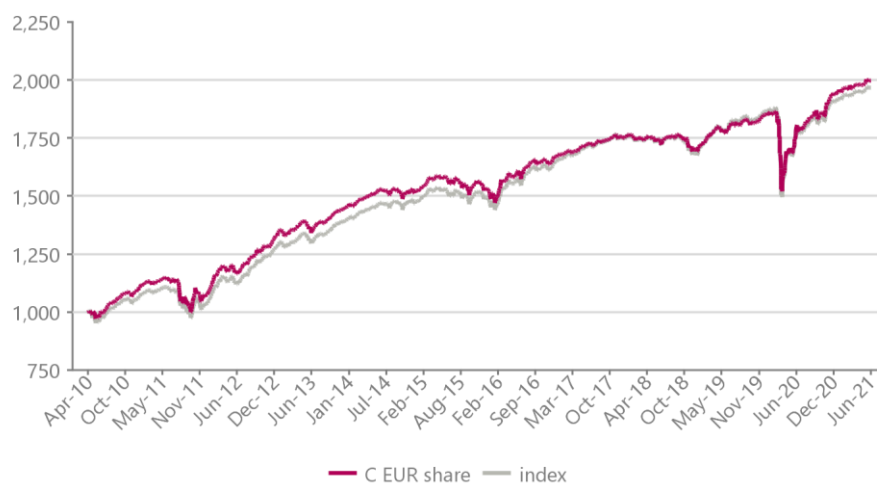
## Investment strategy and fund's objective

SCOR Sustainable Euro High Yield is a French FCP invested in Euro denominated high yield bonds. The fund's investment objective is to achieve a performance greater or equal to the "Bloomberg Barclays Euro High Yield 3% Issuer Constraint ex financial TR unhedged" index, less management costs with net coupons reinvested, over the recommended investment period, while integrating Environmental, Social and Governance (ESG) criteria.

### Key points:

- a diversified portfolio that promotes the generation of cash flows
- investments in Euro denominated securities only
- no investments in bonds issued by financial institutions, nor investments in credit derivatives
- at least 90% of assets in the portfolio benefit from an ESG rating
- the fund does not possess any ISR label

## NAV since inception (basis 1,000)<sup>3</sup>



## Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
C EUR share	+2.80%	+0.59%	+1.32%	+11.89%	+15.66%	+99.64%
Index	+3.00%	+0.59%	+1.38%	+11.12%	+14.11%	+96.70%
C CHF hedged share	+2.68%	+0.56%	+1.23%	+11.61%	+14.19%	+50.64%
C USD hedged share	+3.15%	+0.61%	+1.49%	+12.78%	+19.68%	+42.71%

## Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
C EUR share	+2.80%	+4.86%	+8.85%	-3.12%	+5.08%	+9.14%
Index	+3.00%	+2.33%	+10.77%	-3.85%	+6.19%	+10.43%
C CHF hedged share	+2.68%	+4.45%	+8.27%	-3.63%	+4.60%	+8.28%
C USD hedged share	+3.15%	+6.42%	+9.16%	-0.44%	+7.15%	+10.66%

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	+4.96%	+4.64%	+5.83%	+6.36%
Index	+4.49%	+4.74%	+6.05%	+6.22%
C CHF hedged share	+4.51%	+4.12%	-	+4.81%
C USD hedged share	+6.16%	+6.23%	-	+5.16%

<sup>3</sup> As of 08/02/2021, fund's investment strategy includes ESG criteria

Index = Bloomberg Barclays Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged (Bloomberg Ticker: LEXFTREU Index) Prior to 08/02/2021, the benchmark was "Barclays Euro High Yield ex Financials -3% Issuer Cap » (LEXFTREH Index)"

\* Since inception of the share class (refer to Characteristics)

Performance is net of fees, includes dividends and is based on net asset values adjusted to swing pricing. Past performance is not a reliable indicator of future performance.

## Contact

### SALES TEAM

Phone: +33 1 58 44 70 00  
 scorip.sales@scor.com  
 www.scor-ip.com

### SCOR INVESTMENT PARTNERS

5, avenue Kléber  
 75795 Paris Cedex 16  
 France

# SCOR SUSTAINABLE EURO HIGH YIELD

Monthly report – June 30, 2021

## Top 10 exposures<sup>4</sup>

ISSUER	SECTOR	COUPON	MATURITY	%
VALEO SA	Automotive	0.38%	12/09/2022	1.62%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.36%
SES SA	Cable Satellite	2.88%	Perp	1.30%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.17%
RENAULT SA	Automotive	2.38%	25/05/2026	1.03%
VEOLIA	Utility Other	2.25%	Perp	1.01%
ALTICE FRANCE SA	Wireless	4.13%	15/01/2029	0.98%
UPC HOLDING BV	Cable Satellite	3.88%	15/06/2029	0.97%
LEVI STRAUSS	Retailers	3.38%	15/03/2027	0.97%
TELECOM ITALIA	Wirelines	4.00%	11/04/2024	0.93%

## 5 largest overexposures<sup>4</sup>

ISSUER	SECTOR	OVER EXPOSURE	ESG RATING <sup>5</sup>
SES SA	Cable Satellite	1.35%	D+
REPSOL INTL FINANCE	Integrated	1.25%	B-
INTERTRUST GROUP	Consumer Services	1.02%	C
TELEFONICA EUROPE	Wirelines	1.02%	B-
CECONOMY AG	Retailers	0.85%	C-

## 5 largest underexposures<sup>4</sup>

ISSUER	SECTOR	UNDER EXPOSURE	ESG RATING <sup>5</sup>
CELLNEX TELECOM	Wireless	-2.13%	C-
BAYER AG	Pharmaceuticals	-1.41%	C+
NETFLIX INC	Media Entertainment	-1.27%	D+
VERISURE HOLDING	Consumer Services	-1.10%	D-
FCE BANK PLC	Automotive	-1.05%	C

## Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.24%	4.24%	1.33%	0.11	0.93
YTD 2021	2.18%	1.32%	1.82%	-0.22	1.09
2020	9.05%	9.81%	2.15%	1.18	0.89
2019	2.10%	2.41%	0.64%	-3.00	0.82
2018	2.12%	2.39%	0.58%	1.23	0.86
2017	1.11%	1.29%	0.45%	-2.46	0.79
2016	3.87%	3.88%	0.78%	-1.65	0.95

\*Based on weekly NAVs, the volatility of the Fund may not only reflect the volatility of the securities in the portfolio due to the application of the swing pricing mechanism.

<sup>4</sup> % of the AuM

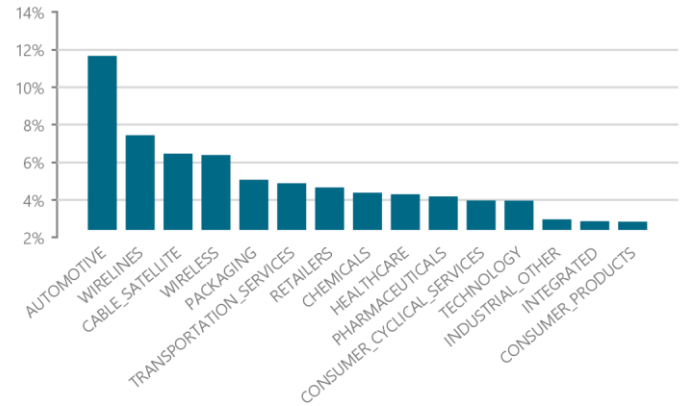
<sup>5</sup> Refer to sustainable investment approach, on page 3

<sup>6</sup> Barclays sectors

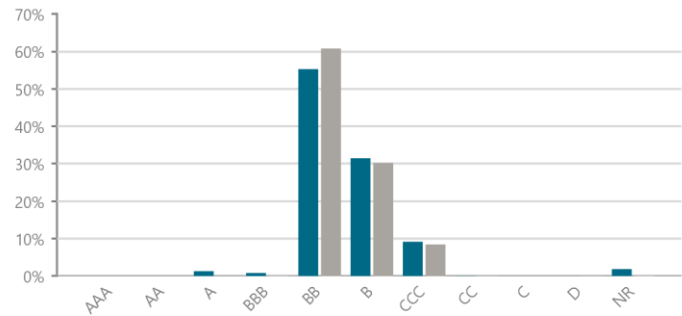
<sup>7</sup> Source: Bloomberg

■ Fund  
■ index = Bloomberg Barclays Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged

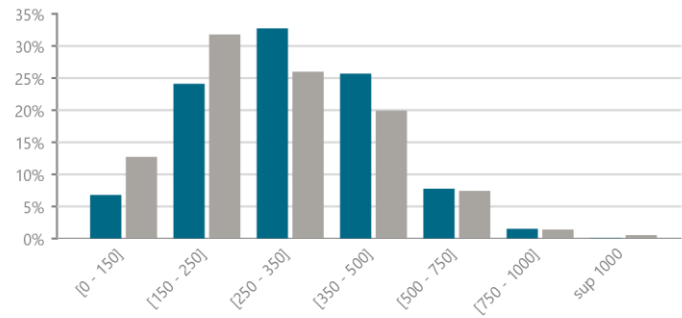
## Top 15 sectors<sup>4,6</sup>



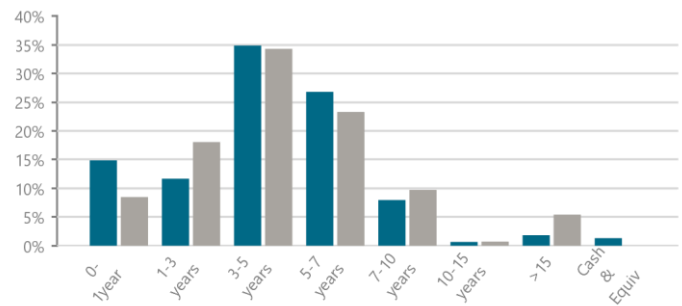
## Breakdown by rating<sup>4,7</sup>



## Breakdown by OAS (in bps)<sup>4</sup>



## Breakdown by maturity bucket<sup>4</sup>



## Sustainable investment approach

The SCOR Sustainable Euro High Yield fund follows a sustainable investment process that contains normative and sectoral exclusions and ESG criteria. Through this extra-financial analysis, an ESG rating is assigned to issuers and potential new entries of the portfolio. Securities with an ESG rating will represent at least 90% of the net assets and an average ESG rating is established for each sub-universe of the portfolio. For each sub-universe, the portfolio's ESG rating needs to be superior to the ESG rating of its benchmark index after eliminating at least 20% of the worst performing issuers of said benchmark index. The fund also includes a "best in class" approach concerning four sectors with significant energy consumption: energy, utilities, automotive and chemical.

### NORMATIVE AND SECTORIAL EXCLUSIONS

#### Normative exclusions:

- exclusions based on the recommendations of the Financial Action Task Force (FATF),
- exclusions based on the Office of Foreign Assets Control (OFAC) and the French Ministry of Finance,
- exclusions based on the Ottawa Convention and the Oslo Treaty,
- other exclusions based on international applications.

#### Sectorial exclusions:

- issuers linked to coal extraction (turnover over 30%, energy production over 30%, company included in the list of the 120 largest power plant developers),
- issuers related to oil sands (total reserves in excess of 30%),
- issuers related to arctic oil (total reserves above 30%),
- tobacco producers.

### LIST OF ISSUERS EXCLUDED FROM THE INVESTMENT UNIVERSE

Issuer	Sector	% in the index
VERISURE	Consumer Services	1.10%
ENERGIAS DE PORTUGAL	Electric	0.77%
WINTERSHALL	Integrated	0.44%

Issuer	Sector	% in the index
CONTOURGLOBAL POWER	Electric	0.34%
SOFIMA	Manufacturing	0.25%
THREEAB OPTIQUE	Retailers	0.12%

### ESG RATING: ISSUER COVERAGE RATE

	Fund <sup>8</sup>	Index of the fund <sup>9</sup>
Issuers with an ESG rating	93.13%	89.54%

<sup>8</sup> In % of the fund's net assets. At least 90% of the fund's net assets need to possess an ESG rating.

<sup>9</sup> Bloomberg Barclays Euro High Yield 3% Issuer Constraint ex Financials TR Unhedged (Bloomberg Code: LEXFTREU Index).

### ESG RATING PER SUB-UNIVERSE EX. CASH<sup>10</sup>

Sub-universe	Fund		Sub-universe index Top 80%
	% NAV	Rating	
Euro High Yield non-unrated	97.35%	C	C
Euro Investment Grade	1.27%	C+	C+
Souverain Euro	-	-	-

<sup>10</sup> The benchmark indices corresponding to the three sub-universes are:  
 • Euro HY or NR: Bloomberg-Barclays Euro High Yield ex Financials TR Unhedged (LEXFTREU);  
 • Euro Investment Grade: Bloomberg-Barclays Euro Corporate ex Financials (LECFREU);  
 • Euro denominated Government Securities: Bloomberg-Barclays Euro Treasury 0-12 Months (LA09TREU).

<sup>11</sup> Top 80% = benchmark index of the sub-universe after at least 20% of the lowest rated securities in that benchmark have been eliminated.

If the issuer of the security has an ESG rating from the non-financial data provider, the investment team assigns this rating to the security. If the issuer is not rated, the investment team assigns an ESG rating using an internal methodology consistent with that of the non-financial data provider. If no rating can be assigned, then the investment team will assign the NR (non-rated) rating. The ESG rating is updated at least yearly.

The issuer's ESG Rating is based on a single ESG rating scale: ratings ranging from A to D-, with A being the highest possible rating, and D being eliminatory

A	A-	B+	B	B-	C+	C	C-	D+	D	D-
---	----	----	---	----	----	---	----	----	---	----

The ESG rating range is based on a numerical score from 3.50 to 1.00. 3.50 is considered an excellent score, 1.00 a bad score.

ESG rating	A	A-	B+	B	B-	C+	C	C-	D+	D	D-
Min score	3.50	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00

### ENVIRONMENTAL RATING OF THE ENERGY, UTILITIES, AUTOMOTIVE AND CHEMICAL SECTORS.

Sectors	Fund		Fund index	
	% NAV	Rating	%	Rating
Energy	3.38%	B-	2.56%	C
Utilities	2.04%	B	3.75%	B-
Automotive	11.67%	C	13.07%	C
Chemical	4.38%	C	4.91%	C-

The Environmental Rating of these four sectors is mainly weighted by the following criteria:

- energy: Scope 1 of greenhouse gas emissions associated with the issuer's activities, the issuer's policies to preserve air quality, the issuer's wastewater treatment;
- utilities: the energy sources used by the issuer, the percentage of renewable energy used by the issuer, the issuer's water use efficiency;
- automotive: the energy efficiency of the products manufactured by the issuer, the rate of reprocessing of waste associated with the issuer's industrial production, the percentage of vehicles with a low environmental impact produced by the issuer;
- chemical: the issuer's greenhouse gas emissions, the issuer's greenhouse gas reduction policy and strategy.

The fund applies specific constraints on four sectors with high energy consumption: energy, utilities, automotive and chemical.

The average environmental grade per sector of the portfolio needs to be superior to the average environmental grade of the same sector in the benchmark index of the fund.

The portfolio may not be invested in any of the four sectors.

## Characteristics

### ISIN CODE

C EUR share	FR0010853556
C CHF hedged share	FR0011341171
C USD hedged share	FR0011929728

### BLOOMBERG CODE

C EUR share	SCOEUHY FP Equity
C CHF hedged share	SCOEUHC FP Equity
C USD hedged share	SCOEUHU FP Equity

### FUND NAME

SCOR SUSTAINABLE EURO HIGH YIELD

### LEGAL FORM

French FCP, under the Directive 2009/65/EC

### SFDR CLASSIFICATION

Article 9

### INCEPTION DATE

C EUR share	14/04/2010
C CHF hedged share	12/10/2012
C USD hedged share	06/06/2014

### FUND CURRENCY

EUR

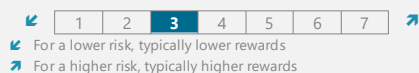
### RECOMMENDED INVESTMENT HORIZON

3 years minimum

### INDEX

Bloomberg Barclays Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged (Bloomberg Ticker: LEXFTREU Index)

### RISK AND REWARD PROFILE



### VALUATION FREQUENCY

Daily (D)

### SWING PRICING

Swing Pricing mechanism effective as of April 16, 2020

### SETTLEMENT AND DELIVERY

D+2 / D+2

### ONGOING CHARGES

0.50% VAT incl. (for the year 2020)

### PERFORMANCE FEES

None (since January 1st, 2016)

### SUBSCRIPTION / REDEMPTION FEES

Maximum 3.00% / none

### CUSTODIAN

BNP Paribas Securities Services S.C.A.

### DELEGATED ACCOUNTING MANAGEMENT

European Fund Administration S.A. – France

### COUNTRIES OF COMMERCIALIZATION

AT, BE, DE, DK, CH, FI, FR, IT, LU, MC\*, NL, NO, PT, SE, UK

\*Only with approved local entities

## Market review

The Euro High Yield market ended the month of June 2021 with a performance of +1.38%, while the average OAS stood at 280 bps, versus 350 bps at the beginning of the year. Inflows to high-yield funds and a pause in the primary market, drove robust performance in the first half of June 2021. Later in the month, performance retreated, as a significant supply of primary market issues became available and interest rates became more volatile. Performance since the start of the year is at a peak of +3.00%.

That early-June 2021 pause in the primary market was of short duration, however. Definitive first-half volume figures could come in at around EUR 100bn, i.e. near the record amount for all of 2020. More than 70 issues thus entered the index in the second quarter, without taking into account the very last transactions such as Softbank's jumbo issue. The trend in pricing was clearly away from differentiation between issuers. There was a preponderance of transactions in the B/B+ category, floated at yields between 3.25% and 3.75%. As a result of these tight spreads, secondary market performance is increasingly mixed and allocation ratios high. In less defensive sectors, OIDs still exist but have contracted, such as NH Hoteles (hotels) five-year B+ bonds at 4%. As for LBOs, issues at the bottom of the ratings spectrum looked pricey from a historical perspective with for example a B- rated debt refinanced at 4.25%. The BB category also looked expensive, with transactions at 1.75% or at 2.5%, while first-time issuers offered little in the way of a discount. InPost (technology), for instance, placed bonds at 2.25%. Finally, unrated issues were few and far between. Only Air France opportunistically placed two issues, with maturity of three and five years, at 3.125% and 4%, respectively. In the end, the very high primary market volumes this year reflected an accumulation with a wide variety of drivers: distressed issuers, call exercises, carve-outs, bank loans refinancing, secondary LBOs and dividend distributions.

In the secondary market, corporate hybrids outperformed at the end of the first half because their spreads were high relative to their ratings and did so despite increased interest-rate volatility, which indicates a clear shift in the market. Since the beginning of 2021, however, the segment has significantly underperformed the rest of the Euro High Yield market, gaining only +1.33%. Incidentally, we notice a lack of differentiation between BB, single-B and even BBB issuers, whose spreads have tightened by 15% during the year. Distressed issuers, meanwhile, have clearly outperformed, with the CC index posting absolute performance of +35%.

With regard to default rates, the last distressed issuers that had not benefited from primary market momentum managed to find sources of cash. As a result, JP Morgan once again lowered its default rate forecast to 1.25% for 2021 and 1% for 2022.

## Fund manager's comment

The SCOR Sustainable Euro High Yield fund returned a positive performance of +0.59%, in June 2021 in line with the benchmark. The year-to-date performance is up +2.80% (C EUR share).

The portfolio benefited from its overweighting in the hybrid sector, where interest rates ultimately decorrelated, and issues such as Repsol, Telefonica and the SES primary market issue enabled it to offset the underperformance of the previous months. British Telecom was an exception, however, as Patrick Drahi took a stake in the company, raising fears of a more aggressive financial strategy.

The fund also benefited from a reduction in the discount on several unloved issuers in which it is overweighted, such as Lufthansa, Renault and Salini. The principal contributor was Cirsa, a "value" issuer, whose subordinated bonds carry a 7.25% coupon and now trade over par.

On the negative side, the portfolio was penalized by its lack of a position in KME, a distressed issuer that bounced back very sharply. Similarly, the fund underweighting in long-duration, low-margin bonds, such as Cellnex, Ford and Netflix, was disadvantageous this month.

In the primary market, the team was extremely selective, declining most deals because of high pricing, such as on Paprec, Nobian, Guala Closures, Antolin and Energizer. The fund participated in Philips, Coty and NH Hotel, which offered acceptable discounts. So as to keep the fund's beta close to 1, these purchases were offsetted by selling bonds with low margins or whose ESG ratings were low, such as Netflix, Hurtigruten, Hertz and CGG.

With respect to ESG, certain mid-sized and LBO-type issues are still suffering from a lack of transparency, such as BUT, rated D, while Picard suffered not only from several controversies but also from its sector's low average rating, despite a sustainability-linked bond (SLB) format. Nevertheless, the Philips Domestic Appliances issue ranked in the highest rating decile, with a very high level of transparency on all criteria. We note that out of all the month's issues, only Nobian chose an SLB format, the format nevertheless favored by high-yield issuers. The market has generally turned away from the green bond format.

# SCOR SUSTAINABLE EURO HIGH YIELD

Monthly report – June 30, 2021

## Available Shares

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1 984,70
C CHF hedged share	CHF 1 497,92
C USD hedged share	USD 1 418,43
IC EUR share	EUR 1 002,93

### BLOOMBERG CODE

C EUR share	SCOEUHY FP Equity
C CHF hedged share	SCOEUHC FP Equity
C USD hedged share	SCOEUHU FP Equity
IC EUR share	N/A

### ISIN CODE

C EUR share	FR0010853556
C CHF hedged share	FR0011341171
C USD hedged share	FR0011929728
IC EUR share	FR0013146339

### INCEPTION DATE

C EUR share	14/04/2010
C CHF hedged share	12/10/2012
C USD hedged share	06/06/2014
IC EUR share	08/04/2021

### APPLICABLE MANAGEMENT FEES

C shares: 0.50% p.a.  
IC shares: 0.50% p.a.

## Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
C EUR share	+2.80%	+0.59%	+1.32%	+11.89%	+15.66%	+99.64%
C CHF hedged share	+2.68%	+0.56%	+1.23%	+11.61%	+14.19%	+50.64%
C USD hedged share	+3.15%	+0.61%	+1.49%	+12.78%	+19.68%	+42.71%
IC EUR share	+0.92%	+0.59%	-	-	-	+0.92%

## Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
C EUR share	+2.80%	+4.86%	+8.85%	-3.12%	+5.08%	+9.14%
C CHF hedged share	+2.68%	+4.45%	+8.27%	-3.63%	+4.60%	+8.28%
C USD hedged share	+3.15%	+6.42%	+9.16%	-0.44%	+7.15%	+10.66%
IC EUR share	+0.92%	-	-	-	-	-

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	+4.96%	+4.64%	+5.83%	+6.36%
C CHF hedged share	+4.51%	+4.12%	-	+4.81%
C USD hedged share	+6.16%	+6.23%	-	+5.16%
IC EUR share	-	-	-	+3.95%

\* Since inception of the share class (refer to Characteristics)

Performance is net of fees, includes dividends and is based on net asset values adjusted to swing pricing. Past performance is not a reliable indicator of future performance.

## Disclaimer

This document is intended for professional investors as defined by MiFID.

This document is issued by SCOR Investment Partners SE, a management company governed by French law. It contains elements of information, opinions and statistical data that SCOR Investment Partners SE considered lawful and correct on the day they were written given the economic and financial environment at the time. However, SCOR Investment Partners SE does not and will not guarantee the accuracy and completeness of any such information, opinions and statistical data. This document is therefore likely to evolve. This document is provided for information purposes only and should not be construed as an offer to sell or limit, or as investment advice. It is not the basis of a contract or commitment of any nature whatsoever and does not assume any responsibility for SCOR Investment Partners SE. This document is provided to you without us having a precise knowledge of your risk profile. Before making any investment decision, you should read the Key investor information document (KIID) and the Prospectus of the Fund available from SCOR Investment Partners SE - Sales & Marketing Department. The risks, costs and minimum recommended investment period associated with investing in the Funds are described in the Fund Prospectus. Before making any investment decision, you should make sure that this Fund is consistent with your investment goals and your legal and regulatory constraints. The figures refer to the past and past performance is not a reliable indicator of future performance. The management company holds at the client disposal the details regarding the costs and fees. This document is provided on a confidential basis and cannot be used, reproduced, distributed or transmitted without the prior written consent of SCOR Investment Partners SE.

Source: SCOR Investment Partners, unless otherwise specified.

In Switzerland, subscriptions or purchases, and sales or transfers of units or shares in a fund are restricted to Qualified Investors only, as per Collective Investment Scheme Act ("CISA"), article 10 paragraph 3. In Switzerland, the Fund Prospectus, the Management Regulations, the Key investor information document (KIID), if need be, as well as annual or semi-annual reports are available free of costs, upon request at the Swiss Representative : BNP Paribas Securities Services, Paris, Zurich Branch, Selnaustrasse 16, 8022 Zurich. Payment Service in Switzerland: BNP Paribas Securities Services, Paris, Zurich Branch.

## Main risk factors

**Risk of capital loss:** There is a risk that the capital initially invested will not be fully recovered on redemption.

**Risk linked to discretionary management:** The management style is discretionary, which means that the portfolio management company may move away from the composition of the benchmark in accordance with its beliefs concerning issuers or its market anticipations. There is a risk that the Fund will not be invested at all times in the best performing securities and that the Fund's performance will differ significantly from that of the benchmark.

**Risk linked to the ESG approach:** The consideration of the ESG approach, and more specifically the inclusion of exclusions in the investment selection process, may create a performance bias in relation to the performance of the Fund's Benchmark Index.

Furthermore, the ESG approach is based, on the one hand, on data provided by the ESG data provider selected by the management company and, on the other hand, on an internal analysis of the information provided by issuers that the management company considers to be well-founded or accurate on the day of their establishment.

It should be noted that the SRI strategies of the funds selected (excluding funds managed by the management company) may vary and may not be fully consistent with each other (use of different ESG indicators and/or SRI approaches). Despite this, the Fund does not benefit from the SRI label.

**Interest rate risk:** Since the portfolio is principally invested in fixed rate securities, Fund unitholders are exposed to interest rate risk. This corresponds to the risk of a fall in value of rate instruments due to interest rate variations and is measured by interest rate sensitivity. In periods of increased interest rates, the net asset value of the Fund may decrease significantly.

**Credit risk:** Deterioration in the solvency of an issuer may provoke a fall in the value of the securities that it has issued, and subsequently in the net asset value of the Fund. This risk is measured by credit sensitivity. In the event of default on payment, the value of the securities may be zero.

**Risk linked to speculative securities:** Due to the historically greater risk of default on speculative securities than on non-speculative securities, investment in high yield or non-rated securities may increase the credit risk and may lead to a significant and rapid fall in the net asset value of the Fund.

**Emerging market risk:** Due to the historically greater risk of default for non-OECD (emerging) securities than for OECD securities, investment in non-OECD (emerging) securities may increase the credit risk and may lead to a significant and rapid fall in the net asset value of the Fund.

**Counterparty risk:** This risk relates to the possibility of default by a counterparty, leading to payment default. Payment default by a counterparty may lead to a fall in the net asset value of the Fund.

**Share market risk:** The value of the Fund may fall in the event of a fall in the share market and/or a fall in value of specific securities held by the Fund.

**Currency risk:** For units denominated in CHF and USD, foreign exchange risk is residual because the units are hedged. The attention of unitholders is drawn to the residual exchange rate risk that would result from imperfect coverage. This risk may decrease the net asset value.

Refer to the fund latest prospectus for the comprehensive list of associated risks.