

## Key figures

### PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	-0.45%
YTD (Year to Date)	+2.56%

### FUND SIZE

EUR 588.18m

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,991.67
C CHF hedged share	CHF 1,501.52
C USD hedged share	USD 1,427.50

## Financial data

### NUMBER OF LINES/ISSUERS

273 / 202

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

34

### % MARKET EXPOSURE

100.95%

### THEORETICAL BETA

1.05

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

B+ (fund) / BB- (index)

### MODIFIED DURATION

3.38 (fund) / 3.59 (index)

### OPTION ADJUSTED SPREAD (OAS)

420bps (fund) / 374bps (index)

### AVERAGE YIELD TO WORST

3.53% (fund) / 3.06% (index)

### AVERAGE YIELD TO MATURITY

3.60% (fund) / 3.06% (index)

<sup>1</sup> Bloomberg sectors

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

### MORNINGSTAR CATEGORY

EUR High Yield Bonds



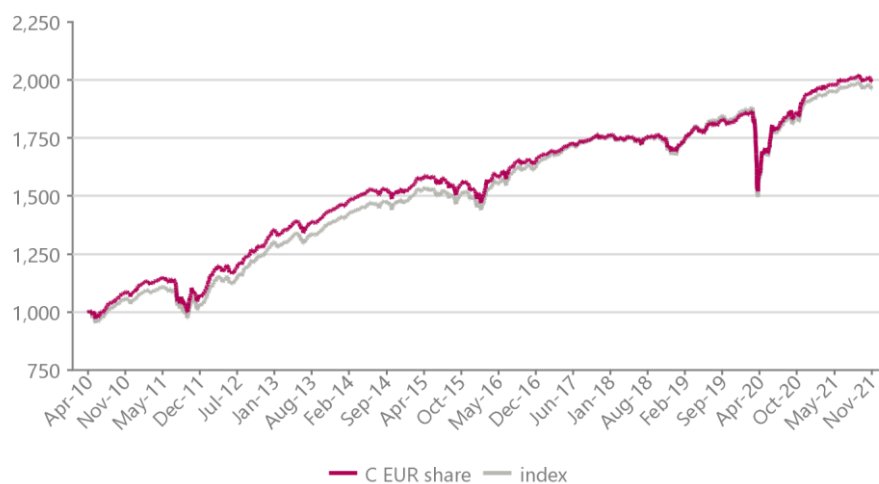
## Investment strategy and fund's objective

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 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	+2.56%	-0.45%	-0.85%	+3.60%	+16.46%	+99.17%
Index	+2.69%	-0.44%	-0.96%	+3.42%	+15.60%	+96.11%
C CHF hedged share	+2.35%	-0.47%	-0.87%	+3.35%	+15.11%	+50.15%
C USD hedged share	+3.18%	-0.39%	-0.70%	+4.29%	+19.56%	+42.75%

## Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
C EUR share	+2.56%	+4.86%	+8.85%	-3.12%	+5.08%	+9.14%
Index	+2.69%	+2.33%	+10.77%	-3.85%	+6.19%	+10.43%
C CHF hedged share	+2.35%	+4.45%	+8.27%	-3.63%	+4.60%	+8.28%
C USD hedged share	+3.18%	+6.42%	+9.16%	-0.44%	+7.15%	+10.66%

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	+5.20%	+3.91%	+6.64%	+6.10%
Index	+4.95%	+3.90%	+6.83%	+5.96%
C CHF hedged share	+4.80%	+3.46%	-	+4.55%
C USD hedged share	+6.13%	+5.41%	-	+4.87%

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

Index = Bloomberg Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged (Bloomberg code: I20845EU 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

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# SCOR SUSTAINABLE EURO HIGH YIELD

Monthly report – November 30, 2021

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

ISSUER	SECTOR	COUPON	MATURITY	%
BALL CORP	Packaging	4.38%	15/12/2023	1.31%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.28%
RENAULT SA	Automotive	2.38%	25/05/2026	1.16%
TELEFONICA	Wirelines	2.88%	Perp	1.15%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.10%
VEOLIA	Utility Other	2.25%	Perp	1.10%
VODAFONE GROUP	Wireless	3.00%	27/08/2080	1.09%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	1.08%
SES SA	Cable Satellite	2.88%	Perp	1.06%
ALTICE FRANCE SA	Wireless	5.88%	01/02/2027	1.01%

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

ISSUER	SECTOR	OVER EXPOSURE	ESG RATING
TELEFONICA	Wirelines	1.95%	B-
FAURECIA	Automotive	1.48%	C
VEOLIA	Utility Other	1.29%	B
EDF	Electric	1.10%	C+
INTERTRUST	Consumer Services	0.96%	C-

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

ISSUER	SECTOR	UNDER EXPOSURE	ESG RATING
NETFLIX INC	Media Entertainment	-1.74%	D+
AUTOSTRADE	Transportation	-1.42%	C
EDP	Electric	-1.07%	B
VERISURE	Consumer Services	-1.04%	D-
REPSOL INTL	Integrated	-0.98%	B-

## Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.17%	4.17%	1.31%	0.11	0.93
YTD 2021	1.93%	1.37%	1.38%	-0.10	1.07
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

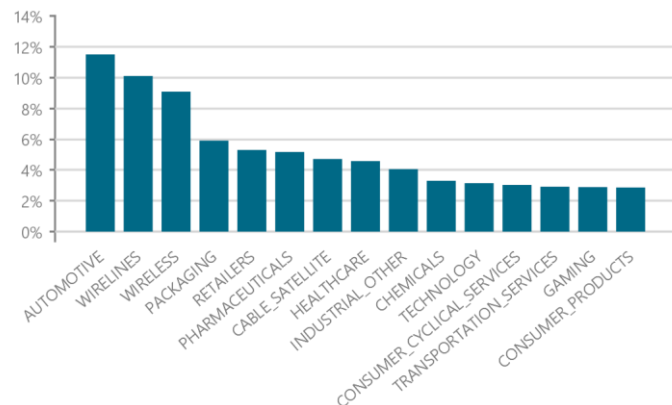
<sup>5</sup> Refer to sustainable investment approach, on page 3

<sup>6</sup> Bloomberg sectors

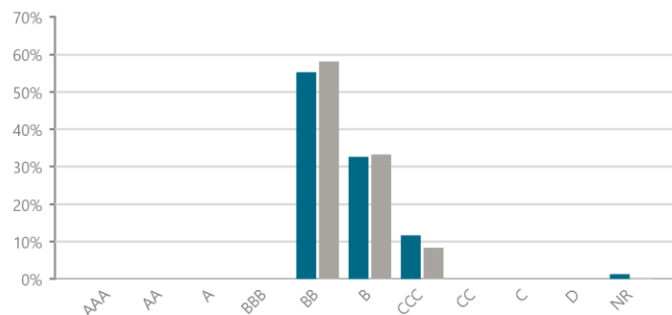
<sup>7</sup> Source: Bloomberg

■ Fund  
■ index = Bloomberg Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged (Bloomberg code: I20845EU Index)

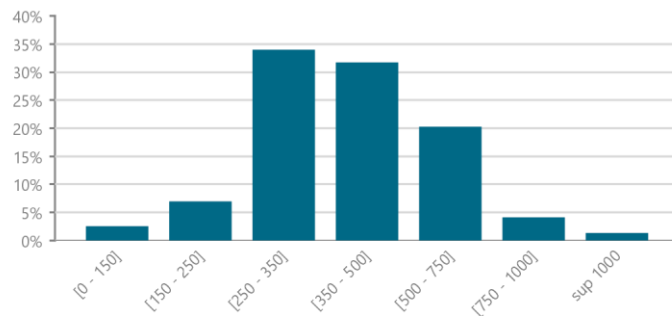
## Top 15 sectors<sup>4,6</sup>



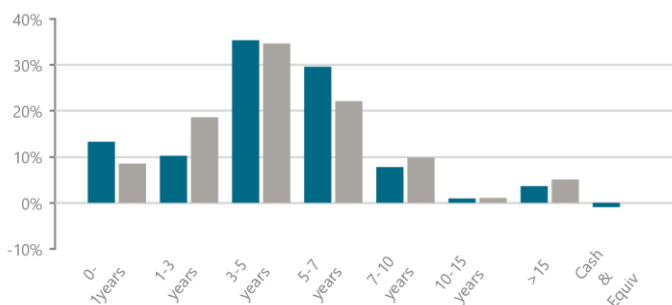
## Breakdown by rating<sup>4,7</sup>



## 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 chemicals.

### 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:

- thermal coal business (coal mining, coal-fired power generation, coal plant developers),
- oil & gas sector (oil sands, shale oil & gas, arctic oil, upstream, midstream, and downstream),
- tobacco manufacturers.

Issuers excluded from the investment universe in application of normative and sectorial exclusions :

Number of excluded securities	% in Fund index
13	6.84%

### ESG RATING: ISSUER COVERAGE <sup>8,9</sup>

	Fund	Fund index
Issuers with ESG rating	99.98%	95.80%

<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 Euro High Yield 3% Issuer Constraint ex Financials TR Unhedged (Bloomberg Code: I20845EU Index).

### ESG RATING PER SUB-UNIVERSE <sup>10,11</sup>

Sub-universe	Fund		Sub-universe
	% NAV	Rating	Index top 80%
Euro High Yield or unrated	100.95%	C	C
Euro Investment Grade	-	-	C+
Euro Sovereign	-	-	-

<sup>10</sup> The benchmark indices corresponding to the three sub-universes are:

- Euro HY or NR: Bloomberg Euro High Yield ex Financials TR Unhedged (I20845EU);
- Euro Investment Grade: Bloomberg Euro Corporate ex Financials (LECFTREU);
- 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 (not 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-
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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	3.30	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00

### ENVIRONMENTAL RATING FOR ENERGY, UTILITIES, AUTOMOTIVE, AND CHEMICALS

Sectors	Fund		Fund index	
	% NAV	Rating	%	Rating
Energy	0.48%	C+	2.47%	C+
Utilities	2.01%	B	4.03%	B-
Automotive	11.51%	C	12.53%	C
Chemicals	3.30%	C	4.77%	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.
- chemicals: 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 chemicals.

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.

# SCOR SUSTAINABLE EURO HIGH YIELD

Monthly report – November 30, 2021

## 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 8

### 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

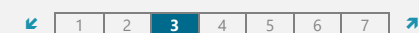
### RECOMMENDED INVESTMENT HORIZON

3 years minimum

### INDEX

Bloomberg Euro High Yield 3% Issuer Constraint ex Financial TR Unhedged (Bloomberg code: I20845EU Index)

### RISK AND REWARD PROFILE



↩ For a lower risk, typically lower rewards  
➔ For a higher risk, typically higher rewards

### 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 posted a negative performance of 44 bps during the month, its sharpest decline since September 2020. Thirty-day realized volatility stood at more than 2%, its highest level so far this year. The OAS vs. Bund widened by 42 bps to 340 bps, as swap spreads moved significantly during the month, while the OAS vs. swap widened by only 10 bps to 295 bps. The yield-to-worst stood at more than 3%, higher than at beginning of the year.

Macroeconomic factors were the principal elements of confusion leading to this rise in volatility. On the one hand, inflation statistics and economic activity, combined with hawkish comments from members of the ECB and the Fed have caused two-year yields to firm, while on the other hand fears sparked by the new variant have depressed long-term yields once again. In the end, yield and credit curves flattened significantly. BB-rated securities are yielding 1-2% in the two-year range, whereas they yielded less than 50 bps only a short while ago.

From a sectoral point of view, companies related to economic reopening, such as TUI Cruise, Lufthansa, British Airways and Carnival, were hit hard by new developments with regard to the pandemic. Results in the automotive sector also weighed on issuers such as Standard Automotive, Antolin and Faurecia, the last of which has lowered its full-year guidance again. On the M&A front, KKR's interest in Telecom Italia hints at a scenario similar to that of Iliad for the bonds, whose longest durations have declined by nearly 10 points. Conversely, the British Telecom hybrid bounced back sharply following the adoption of a change-of-control clause as a protection against Patrick Drahi increasing his stake in the company.

The primary market is active but focused on BB-rated issuers, such as Accor, Lufthansa, Verallia and Rexel. A Lottomatica bond was issued at more than 8% with a PIK-Toggle feature; its purpose is to fund dividend payments to shareholders. Primary market volume for the year is nearly EUR 150 billion, almost 50% higher than the previous record. Projections are high for European issues in 2022, because the M&A theme alone might contribute EUR 50 billion in new issues through secondary LBOs, carve-outs or delistings.

After November's peak in volatility, the high-yield market should stabilize in December 2021, especially as the number of earnings announcements will also subside. In addition, numerous raw material prices, such as oil and gas, are loosening, which should calm fears, at least temporarily, that inflation will impact issuers' margins.

## Fund manager's comment

The SCOR Sustainable Euro High Yield fund returned a negative performance of -0.45% in November 2021. Since the start of the year, the fund has risen +2.56% (C EUR share).

The fund's beta was maintained at around 105% throughout the month. This overweighting had a negative contribution but was offset by individual positions in the fund.

The fund's underweighting in transportation services contributed positively, despite its overweighting on Lufthansa, which posted the worst performance in the sector owing to the considerable resurgence of Covid-19 in Germany. The fund's selection of securities in the auto/auto parts segment contributed positively. The fund steered clear of the most heavily indebted issuers, and those unable to pass on cost increases to their customers, such as Faurecia (second profit warning) and Standard Profile Automotive (disappointing earnings). Lastly, the fund's overweighting in the British Telecom hybrid contributed, relative to the index, following the announcement of a new change-of-control clause in its bond agreements.

On the fund management side, CBR Fashion was sold in advance of its earnings announcement. The company has been hit hard by supply problems affecting many companies. The fund's exposure to Autostrade per l'Italia was also reduced, in light of recent market prices. The fund took part in the Accor and Telefonica hybrid primary market issues, after tendering called bonds.

The fund did not participate in the UGI and Naturgy hybrid issues, as they are on our excluded list. The fund switched from Valeo to Ball, which boosted the fund's yield and ESG score.

The fund's beta remained slightly above 100%. Volatility is expected to subside, along with the reduction in liquidity and the slowdown already observed in the primary market. Sectoral weightings will be adjusted ahead of the recovery expected in early 2022.

# SCOR SUSTAINABLE EURO HIGH YIELD

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## Available Shares

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,991.67
C CHF hedged share	CHF 1,501.52
C USD hedged share	USD 1,427.50
IC EUR share	EUR 1,006.44

### BLOOMBERG CODE

C EUR share	SCOEUHY FP Equity
C CHF hedged share	SCOEUHC FP Equity
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IC EUR share	SCEHYIC FP Equity

### ISIN CODE

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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	+2.56%	-0.45%	-0.85%	+3.60%	+16.46%	+99.17%
C CHF hedged share	+2.35%	-0.47%	-0.87%	+3.35%	+15.11%	+50.15%
C USD hedged share	+3.18%	-0.39%	-0.70%	+4.29%	+19.56%	+42.75%
IC EUR share	+0.64%*	-0.45%	-0.85%	-	-	+0.64%

## Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
C EUR share	+2.56%	+4.86%	+8.85%	-3.12%	+5.08%	+9.14%
C CHF hedged share	+2.18%	+4.45%	+8.27%	-3.63%	+4.60%	+8.28%
C USD hedged share	+3.18%	+6.42%	+9.16%	-0.44%	+7.15%	+10.66%
IC EUR share	+0.64%*	-	-	-	-	-

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	+5.20%	+3.91%	+6.64%	+6.10%
C CHF hedged share	+4.80%	+3.46%	-	+3.55%
C USD hedged share	+6.13%	+5.41%	-	+4.87%
IC EUR share	-	-	-	+1.00%

\*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

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## 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.