

## Key figures

### PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	+1.94%
YTD (Year to Date)	-12.21%

### FUND SIZE

EUR 591.22m

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,766.22
C CHF hedged share	CHF 1,326.43
C USD hedged share	USD 1,285.82

## Financial data

NUMBER OF LINES/ISSUERS  
280 / 198

NUMBER OF SECTORS<sup>1</sup>  
33

% MARKET EXPOSURE  
93.42%

THEORETICAL BETA  
0.95

AVERAGE RATING<sup>2</sup>  
BB- (fund) / BB- (index)

MODIFIED DURATION  
2.97 (fund) / 3.26 (index)

OPTION ADJUSTED SPREAD (OAS)  
588bps (fund) / 610bps (index)

AVERAGE YIELD TO WORST  
7.62% (fund) / 7.88% (index)

AVERAGE YIELD TO MATURITY  
7.62% (fund) / 7.88% (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

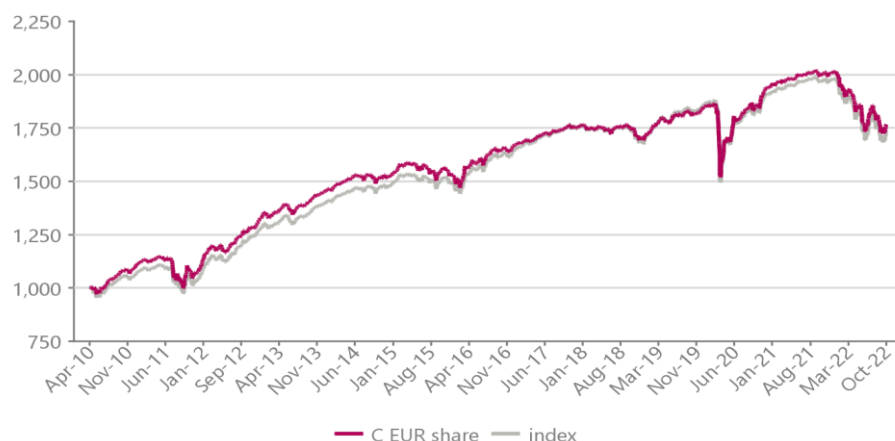
SCOR Sustainable Euro High Yield is a French FCP invested in Euro denominated high yield bonds. The fund's investment objective is to achieve a performance greater or equal to the "Bloomberg Euro High Yield 3% Issuer Constraint ex financial TR unhedged" index, less management costs with net coupons reinvested,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

The fund, classified as Article 8 under SFDR, has been awarded the LuxFLAG ESG label, certifying that ESG criteria are incorporated throughout its entire investment process.

### 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	-12.21%	+1.94%	-3.24%	-11.72%	-2.64%	+76.62%
Index	-12.37%	+2.42%	-3.08%	-12.01%	-5.13%	+73.33%
C CHF hedged share	-12.52%	+1.87%	-3.42%	-12.07%	-3.66%	+32.64%
C USD hedged share	-10.89%	+2.14%	-2.64%	-10.27%	+1.38%	+28.58%

## Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
C EUR share	-12.21%	+3.60%	+4.86%	+8.85%	-3.12%	+5.08%
Index	-12.37%	+3.58%	+2.33%	+10.77%	-3.85%	+6.19%
C CHF hedged share	-12.52%	+3.35%	+4.45%	+8.27%	-3.63%	+4.60%
C USD hedged share	-10.89%	+4.29%	+6.42%	+9.16%	-0.44%	+7.15%

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	-0.89%	+0.07%	+3.27%	+4.63%
Index	-1.74%	-0.22%	+3.41%	+4.48%
C CHF hedged share	-1.23%	-0.35%	+2.77%	+2.85%
C USD hedged share	+0.46%	+1.47%	-	+3.04%

<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 INVESTMENT PARTNERS

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France

# SCOR SUSTAINABLE EURO HIGH YIELD

Monthly report – October 31, 2022

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

ISSUER	SECTOR	COUPON	MATURITY	%
BALL CORP	Packaging	4.38%	15/12/2023	2.59%
RENAULT SA	Automotive	2.38%	25/05/2026	1.36%
ANGLO AMERICAN	Metals and Mining	3.25%	03/04/2023	1.16%
TELEFONICA	Wirelines	2.88%	Perp	1.15%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	1.12%
FORD MOTOR	Automotive	1.51%	17/02/2023	1.11%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.10%
SUDZUCKER INT	Food and Beverage	5.13%	31/10/2027	1.01%
TELEFONICA	Wirelines	4.38%	Perp	0.97%
FAURECIA	Automotive	3.75%	15/06/2028	0.95%

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

ISSUER	SECTOR	OVER EXPOSURE	ESG RATING
TELEFONICA	Wirelines	2.17%	B-
BALL CORP	Packaging	1.94%	B-
DKT FINANCE	Wirelines	1.74%	C+
ANGLO AMERICAN	Metals and Mining	1.16%	B
SUDZUCKER INT	Food and Beverage	1.01%	C-

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

ISSUER	SECTOR	UNDER EXPOSURE	ESG RATING
NETFLIX INC	Media Entertainment	-1.30%	D+
AUTOSTRAD	Transport. Services	-1.24%	C
CELLNEX TELECOM	Wireless	-1.14%	C
EDP	Electric	-1.11%	B+
REPSOL INTL	Integrated	-1.03%	B-

## Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.30%	4.32%	1.28%	0.12	0.93
YTD 2022	5.79%	6.12%	0.87%	0.22	0.93
2021	1.88%	1.35%	1.32%	0.01	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

\*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

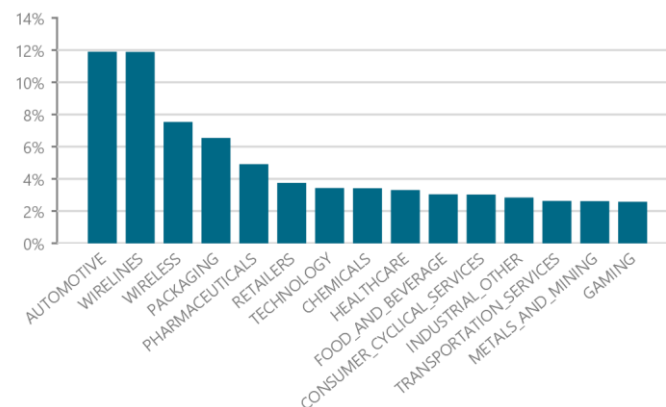
<sup>5</sup> Refer to sustainable investment approach, on page 3

<sup>6</sup> Bloomberg sectors

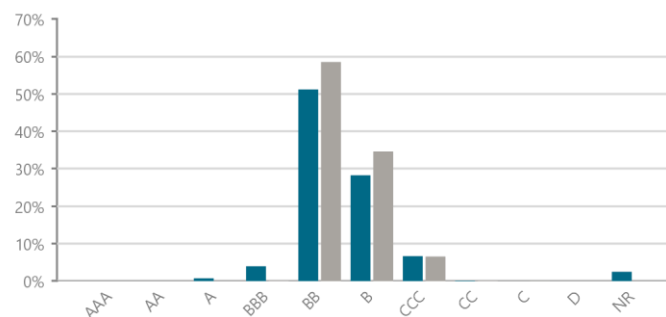
<sup>7</sup> Source: Bloomberg

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

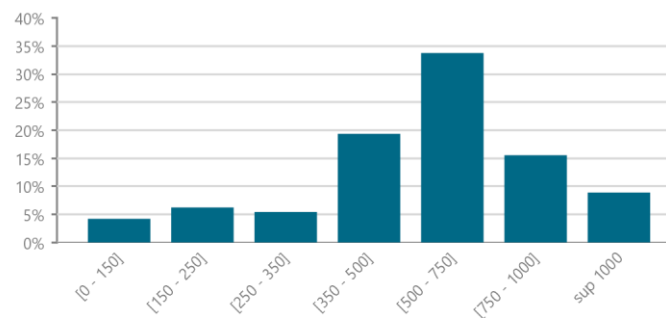
## Top 15 sectors<sup>4,6</sup>



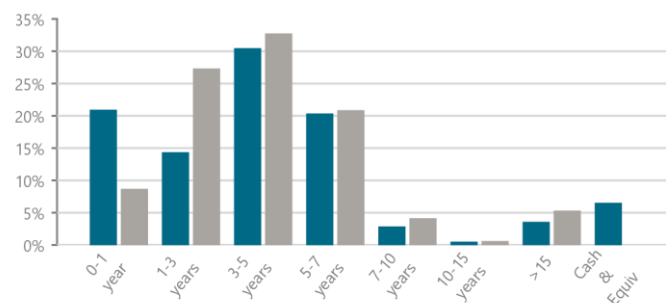
## Breakdown by rating<sup>4,7</sup>



## 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:

- recommendations of the Financial Action Task Force (FATF),
- list of the Office of Foreign Assets Control (OFAC) and the list of companies/countries sanctioned by the French Ministry of Finance,
- Ottawa Convention and the Oslo Accords,
- list of asset freeze.

Sectoral exclusions:

- activities linked to thermal coal (coal extraction, electricity production from coal, coal-fired power plants development),
- hydrocarbon sector (oil sands, shale oil & gas, arctic oil, upstream, midstream and downstream).

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

	Fund	Fund index
Issuers with ESG rating	99.77%	95.57%

<sup>8</sup> In % of the fund's assets excluding cash and monetary UCITS. 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	88.77%	C	C	
Euro Investment Grade	4.66%	C+	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	3.25	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00

Issuers excluded from the investment universe in application of normative and sectorial exclusions and after excluding securities whose issuers are rated D-:

Number of excluded issuers	% in the index
10	4.18%

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

Sectors	Fund		Fund index	
	% NAV	Rating	%	Rating
Energy	0.40%	C+	2.47%	C+
Utilities	1.86%	B-	4.56%	B-
Automotive	11.91%	C	12.41%	C
Chemicals	3.43%	C+	4.29%	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.

## 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

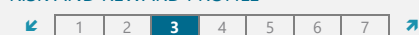
### RECOMMENDED INVESTMENT HORIZON

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

\*Only with approved local entities

## Market review

The Euro High Yield market posted a positive performance of +2.42% in October. The average OAS tightened by 58 bps to 545 bps, representing excess return of +2.70%.

Market volatility remained high throughout the month. Inflation continued to pick up speed in the euro zone, rising to +10.7%, and continued to spread to the prices of goods and services, as illustrated in this season's third quarter results, which have been better than anticipated. Companies have reported higher revenues, principally reflecting higher prices, while inflation in production costs (energy, raw materials, salaries) is now more widespread.

In line with leading indicators, however, there has already been a decline in demand in cyclical sectors, as illustrated by Tendam. The German retailer announced excellent results as of end-August (up 12% year-on-year), but noted that its sales started to decline in September. It anticipates zero growth for the full year. Nevertheless, Casino posted favorable results. The French retailer intends to sell EUR 500 million of its stake in Assaí and is redeeming its bonds maturing in 2023 at par. The issuer's yield curve took on a healthier cast, without reaching its early-October profile, prior to the downgrading announced by Moody's from B to CCC+. Against all odds, the automotive sector provided a welcome surprise, with a significant rise in sales, prompting some companies to revise their 2022 projections up (Superior Industries, Renault, Faurecia, etc.).

Frigoglass became the first default in four months and pushed the default rate calculated by JP Morgan up 0.1% to 0.4%. JP Morgan also revised up its default rate for Europe, to 3% at end-2023, vs. 2.5% previously, amid the beginnings of a slowdown and still-high financing costs.

The cost of debt continued to rise in October, to 10.5% for issues rated single-B, vs 4.9% as of end-2021. The primary market thus remained open for issuers capable of issuing at those levels. There were three new high-yield issues in October, all with yields in excess of 10%: Cirsia and Tendam for refinancing, and Fedrigoni as part of an LBO. Stada preferred to extend EUR 1 billion in debt maturing in 2024 to 2026 directly through an exchange. Operations of liability management are multiplying these last weeks with tender offers made by Nexi, Softbank and Sappi in October.

## Fund manager's comment

The SCOR Sustainable Euro High Yield fund returned a positive performance of +1.94% in October (net of fees, dividends included, C EUR share), 47 bps less than its benchmark index.

The fund's beta, close to 92% at month-end, contributed partly to the fund's negative relative performance.

Casino contributed -12 bps. The fund's position on the hybrid (ex-index), as well as its underweighting on short maturities that bounced back sharply following the company's announcement that it would redeem its 2023 bonds, cost the fund some performance. In addition, in the market recovery, the fund's underweighting on issuers with long maturities also cost some performance. These included Netflix (-6 bps) and Ziggo (-5 bps).

The positive contributions came from overweighting on hybrids in general and Telefonica in particular (+7 bps). Hybrids have benefited from the recent, reassuring developments on the Naturgy and Engie issues, as well as on Faurecia after publication of the company's results (+7 bps), Tendam (+7 bps) via the company's new issue, and Sappi (+3 bps) following a tender offer that reduced leverage. The absence of a position on Metalcorp 2026 contributed 5 bps. Metalcorp lost more than 50 points after announcing its intention to postpone its 2022 repayment for a year.

The fund's ESG rating rose slightly after the fund added to its position on Valeo 2023, increasing exposure to short maturities, similarly to Playtech 2023 (4% yield) and Ipsen 2023 (4.5%). We took advantage of the steep yield curve on certain issuers to extend maturities and obtain a significant pick-up, such as on Faurecia and Grunenthal.

## Available Shares

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,766.22
C CHF hedged share	CHF 1,326.43
C USD hedged share	USD 1,285.82
IC EUR share	EUR 894.48

### 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	SCEHYIC FP Equity

### 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	-12.21%	+1.94%	-3.24%	-11.72%	-2.64%	+76.62%
C CHF hedged share	-12.52%	+1.87%	-3.42%	-12.07%	-3.66%	+32.64%
C USD hedged share	-10.89%	+2.14%	-2.64%	-10.27%	+1.38%	+28.58%
IC EUR share	-12.02%	+1.94%	-3.04%	-11.53%	-	-10.55%

## Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
C EUR share	-12.21%	+3.60%	+4.86%	+8.85%	-3.12%	+5.08%
C CHF hedged share	-12.52%	+3.35%	+4.45%	+8.27%	-3.63%	+4.60%
C USD hedged share	-10.89%	+4.29%	+6.42%	+9.16%	-0.44%	+7.15%
IC EUR share	-12.02%	+1.66%*	-	-	-	-

## Annualized performance

	3 years	5 years	10 years	inception*
C EUR share	-0.89%	+0.07%	+3.27%	+4.63%
C CHF hedged share	-1.23%	-0.35%	+2.77%	+2.28%
C USD hedged share	+0.46%	+1.47%	-	+3.04%
IC EUR share	-	-	-	-6.88%

\*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.