

## Key figures

### PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	-0.50%
YTD (Year to Date)	-0.36%

### FUND SIZE

EUR 224.48m

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,316.57
C CHF hedged share	CHF 1,148.36
C USD hedged share	USD 1,255.75

## Financial data

NUMBER OF LINES  
78

% MARKET EXPOSURE  
96.16%

AVERAGE EQUITY SENSITIVITY  
31.5% (fund) / 32.7% (index)

AVERAGE PREMIUM  
44.48%

AVERAGE COUPON  
0.33%

AVERAGE RATING <sup>1,2</sup>  
BBB+

AVERAGE DURATION  
2.09 (fund) / 2.18 (index)

SCR  
20.20%

<sup>1</sup> includes only rated bonds

<sup>2</sup> Source: Bloomberg

MORNINGSTAR CATEGORY  
European Convertible Bonds



## Investment strategy and fund's objective

SCOR Convertible Europe is a French FCP invested in European convertible bonds. The fund's objective is to achieve a performance greater than or equal to the « Exane ECI Europe » index, less management costs, over the recommended investment period.

### Key points:

- a portfolio invested in convertible bonds issued by European and Swiss companies
- portfolio invested in bonds denominated mainly in EUR but also in USD, GBP, CHF, etc.
- so-called « synthetic » convertible bonds are excluded from the investment universe
- an active portfolio management to optimize the fund convexity

## NAV since inception (basis 1,000)



## Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
C EUR share	-0.36%	-0.50%	+1.90%	+1.22%	+2.91%	+31.66%
Index	+0.20%	-0.58%	+1.88%	+1.82%	+5.15%	+34.34%
C CHF hedged share	-0.73%	-0.52%	+1.81%	+0.78%	+0.83%	+14.84%
C USD hedged share	+0.84%	-0.43%	+2.09%	+2.82%	+10.35%	+25.57%

## Calendar performance

	YTD 2020	2019	2018	2017	2016	2015
C EUR share	-0.36%	+9.92%	-5.03%	+3.01%	-0.93%	+7.47%
Index	+0.20%	+11.44%	-4.89%	+3.53%	-0.41%	+7.60%
C CHF hedged share	-0.73%	+8.80%	-5.55%	+2.48%	-1.55%	+6.03%
C USD hedged share	+0.84%	+13.10%	-2.48%	+4.79%	+0.17%	+7.12%

## Annualized performance

	3 years	5 years	inception*
C EUR share	+0.96%	+0.99%	+3.57%
Index	+1.69%	+1.67%	+3.83%
C CHF hedged share	+0.28%	+0.33%	+2.04%
C USD hedged share	+3.34%	+2.93%	+3.62%

index = Exane ECI Europe (Bloomberg Code: EECIEECI Index)

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

Performance is net of fees. Past performance is not a reliable indicator of future performance.

## Contact

### SALES TEAM

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www.scor-ip.com

### SCOR INVESTMENT PARTNERS

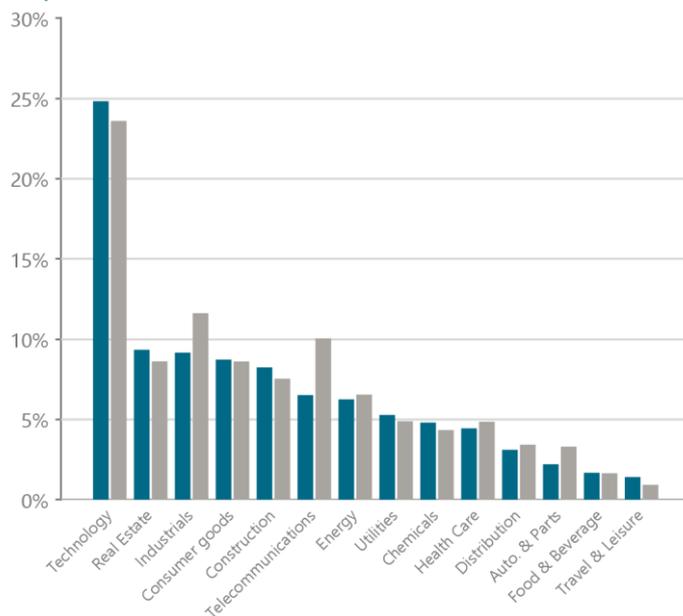
5, avenue Kléber

75795 Paris Cedex 16

# SCOR CONVERTIBLE EUROPE

Monthly report – October 30, 2020

## Top 15 sectors <sup>3,4</sup>



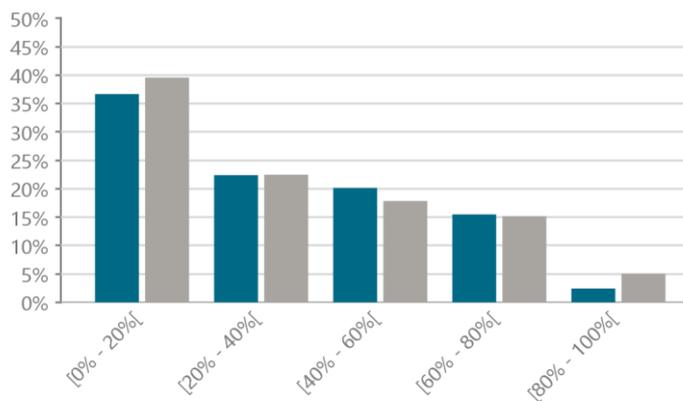
## 5 largest over/underexposures <sup>4</sup>

ISSUER	SECTOR	OVER EXPOSURE
SILICON ON INSULATOR	Technology	0.63%
AIR FRANCE-KLM	Travel & Leisure	0.52%
OLIVER CAPITAL SARL	Industrials	0.45%
ATOS SE	Technology	0.39%
ELECTRICITE DE FRANCE	Utilities	0.38%

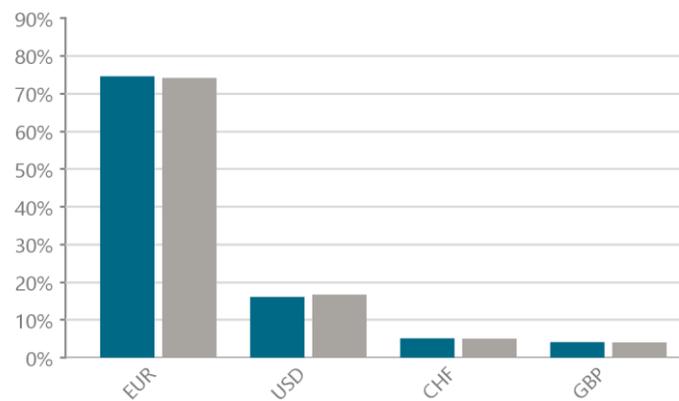
  

ISSUER	SECTOR	UNDER EXPOSURE
TELECOM ITALIA	Telecommunications	-3.59%
AIRBUS SE	Industrials	-1.31%
VALEO SA	Auto. & Parts	-1.08%
CARREFOUR SA	Distribution	-0.95%
DEUTSCHE POST	Industrials	-0.83%

## Delta distribution <sup>3,5</sup>



## Breakdown by currency <sup>3,5</sup>



## Risk indicators

### VOLATILITY

YEAR	FUND	INDEX	TRACKING ERROR	INFORMATION RATIO	BETA
Since inception	6.14%	5.77%	1.16%	-0.23	1.05
YTD 2020	7.94%	8.32%	0.86%	-0.79	0.97
2019	3.74%	3.83%	0.53%	-2.88	0.98
2018	5.34%	5.22%	1.11%	-0.13	1.03
2017	4.12%	3.86%	0.73%	-0.71	1.04
2016	7.14%	6.66%	1.03%	-0.51	1.04
2015	8.54%	7.75%	1.55%	-0.08	1.07
2014	5.44%	4.72%	1.13%	0.30	1.12

<sup>3</sup> % of the AuM

<sup>4</sup> Exane sectors

<sup>5</sup> Cash & equivalent included

■ Fund  
■ index = Exane ECI Europe (Bloomberg Code: EECIECI Index)

# SCOR CONVERTIBLE EUROPE

Monthly report – October 30, 2020

## Characteristics

### ISIN CODE

C EUR share	FR0011368430
C CHF hedged share	FR0011668037
C USD hedged share	FR0011929702

### BLOOMBERG CODE

C EUR share	SCORCEC FP Equity
C CHF hedged share	SCORCEH FP Equity
C USD hedged share	SCORCEU FP Equity

### FUND NAME

SCOR CONVERTIBLE EUROPE

### LEGAL FORM

French FCP, under the Directive 2009/65/CE

### INCEPTION DATE

C EUR share	27/12/2012
C CHF hedged share	20/12/2013
C USD hedged share	06/06/2014

### FUND CURRENCY

EUR

### RECOMMENDED INVESTMENT HORIZON

3 years minimum

### INDEX

Exane ECI Europe (Bloomberg Code: EECIEECI Index)

### RISK AND REWARD PROFILE



← For a lower risk, typically lower rewards

→ For a higher risk, typically higher rewards

### VALUATION FREQUENCY

Daily (D)

### SUBSCRIPTION / REDEMPTION

Orders received each D day before 12:00 a.m. (Paris time), executed on NAV D day

### SETTLEMENT AND DELIVERY

D+2

### ONGOING CHARGES

0.50% VAT incl. (for the year 2018)

### 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

BE, CH, FR, IT, LU, MC\*, NL

\*Only with approved local entities

## Market review

The second wave of Covid-19 prompted European governments to reimpose lockdowns, and uncertainty reigned over US elections. These factors got the better of equity markets beginning in mid-October 2020. In addition, although numerous vaccine candidates are in clinical trials, none of them seemed ready to be marketed. The decline accentuated in the second week of the month, as the Stoxx Europe 600 index retreated by 5.2%, the S&P 500 by 2.7% and the Nasdaq Composite by 3.2%.

Against this background of high volatility, with the VIX index at 38, convertible bonds once again turned in a noteworthy performance, declining only 58 basis points, amid equity sensitivity of 31%.

The sectors that have performed best since the beginning of the year, such as technology and healthcare, lagged in October. Conversely, banks and leisure & travel companies ended the month higher despite looming new lockdowns in Europe.

Quarterly earnings announcements were numerous in the second half of the month, against a background of reduced expectations. According to Exane, 67% of companies announced better-than-expected figures for the third quarter of 2020 and 30% reported a quarter-on-quarter improvement in earnings.

October was rich in corporate news. Dufry raised additional capital, as did Korian to finance an acquisition and diversify into psychiatric clinics. There were also many M&A transactions. LVMH and Tiffany ultimately agreed to merge, at a price of \$131.50 per share. Nexi confirmed its interest in SIA, and Vinci expressed its desire to acquire ACS's industrial service activities. Lastly, Hutchison announced that it was in discussions with Cellnex to sell its telecom masts division.

The primary market was once again active. GBL, well known to investors in convertibles, issued EUR 400m in exchangeable bonds. MorphoSys, a biotech company, issued EUR 325m. Safran launched a tap issue of EUR 200m. The French government, which owns 11.2% of Safran's capital, subscribed to EUR 22.5m. Finally, AMS issued EUR 760m. Since the beginning of the year, there have been 42 primary market issues, totaling EUR 20.5bn.

## Fund manager's comment

The SCOR Convertible Europe fund posted a decline of -0.50% in October 2020 (C EUR share). Performance since the start of the year has been -0.36%, while the equity markets have declined by 15% (Stoxx Europe 600 index).

Taking into account the decline it suffered, the fund benefited from its underweighting in Ocado, Korian and Ingenico. Conversely, the fund's overweighting in Orpéa, Symrise, Atos and Worldline was costly.

Cash in the portfolio was used to invest in the most recent issues, which enabled the fund to gain a few basis points.

Equity sensitivity was maintained in line with that of the benchmark index.

### FUND MANAGERS

ALEXANDRE STOESSEL  
SONIA BERREJEB

## 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 index 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 index.

**Risk linked to holding convertible bonds:** The value of convertible bonds depends on several factors: level of interest rates, evolution of the price of underlying equity, evolution of the price of derivatives embedded in convertible bonds. These various elements may lead to a fall in the net asset value of the Fund.

**Equity risk:** The value of underlying equities depends on the intrinsic qualities of the company, which may evolve significantly over time. The value of the Fund may fall in the event of a fall in the share market and/or in the event of a fall in the underlying securities or in the specific securities held by the Fund.

**Liquidity risk:** In the specific event that trade volumes on the financial markets are very low, any purchase or disposal on these markets may lead to significant market variations, particularly on convertible bonds with low nominal amounts or small to mid-cap equities.

**Interest rate risk:** since the portfolio is mainly 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. It is measured by the sensitivity of interest rates. 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. It is measured by credit sensitivity. In the event of default on payment, the value of the securities may be zero.

**Overexposure risk:** The Fund may need to invest in derivatives in order to generate equity overexposure, so that the Fund's exposure is higher than its net assets. Depending on the trend of the Fund's transactions, the downward movement (in the event of exposure purchase) or upward movement (in the event of exposure disposal) of the underlying assets of the derivative may be amplified, thus increasing the 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.

**Emerging market risk:** The Fund may be exposed to emerging markets. Emerging markets are stock markets with liquidity and security features that do not always meet the usual standards of the major international markets. Moreover, these countries present a high risk of expropriation, nationalisation and social, political and economic instability.

**Currency risk:** There is an exchange rate risk due to the fact that the Fund holds shares or UCITS denominated in a currency other than USD. The variation of the dollar compared to another currency may have a negative impact on the net asset value of the Fund. Up to 100% of the net assets of the fund may be exposed to exchange rate risk. Hedged euro-denominated units have only a residual EUR/USD exchange rate risk exposure compared to USD units, but they are exposed to the changes of the short-term rate differential USD/EUR. Non-hedged euro-denominated units have a complete EUR/USD exchange rate risk exposure compared to USD units. This exposure can cause decreases of the net asset value.

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