

Key figures

PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	+1.11%
YTD (Year to Date)	+8.30%

FUND SIZE

EUR 161.42m

NET ASSET VALUE PER UNIT

C EUR share	EUR 1,301.86
C CHF hedged share	CHF 1,141.96
C USD hedged share	USD 1,213.22

Financial data

NUMBER OF LINES

63

% MARKET EXPOSURE

91.45%

AVERAGE EQUITY SENSITIVITY

28.1% (fund) / 29.4% (index)

AVERAGE PREMIUM

52.93%

AVERAGE COUPON

0.37%

AVERAGE RATING ^{1,2}

A-

AVERAGE DURATION

1.97 (fund) / 2.08 (index)

SCR

19.10%

¹ includes only rated bonds

² 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	Since inception
C EUR share	+8.30%	+1.11%	+1.17%	+1.93%	+9.30%	+30.19%
Index	+8.94%	+1.26%	+1.40%	+3.30%	+10.22%	+31.07%
C CHF hedged share	+7.40%	+1.06%	+1.02%	+0.88%	+6.99%	+14.20%
C USD hedged share	+10.19%	+1.35%	+1.90%	+4.85%	+16.81%	+21.32%

Calendar performance

	YTD 2019	2018	2017	2016	2015	2014
C EUR share	+8.30%	-5.03%	+3.01%	-0.93%	+7.47%	+4.82%
Index	+8.94%	-4.89%	+3.53%	-0.41%	+7.60%	+4.48%
C CHF hedged share	+7.40%	-5.55%	+2.48%	-1.55%	+6.03%	+4.60%
C USD hedged share	+10.19%	-2.48%	+4.79%	+0.17%	+7.12%	+0.40%*

	3 years	5 years	Since inception
C EUR share	+3.00%	+3.16%	+4.08%
Index	+3.29%	+3.35%	+4.19%
C CHF hedged share	+2.27%	+2.34%	+2.39%
C USD hedged share	+5.30%	+4.57%	+3.82%

benchmark = Exane ECI Europe (Bloomberg Code: EECIECI Index)

* Since inception of the share class (cf. Characteristics p3)

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

Contact

SALES TEAM

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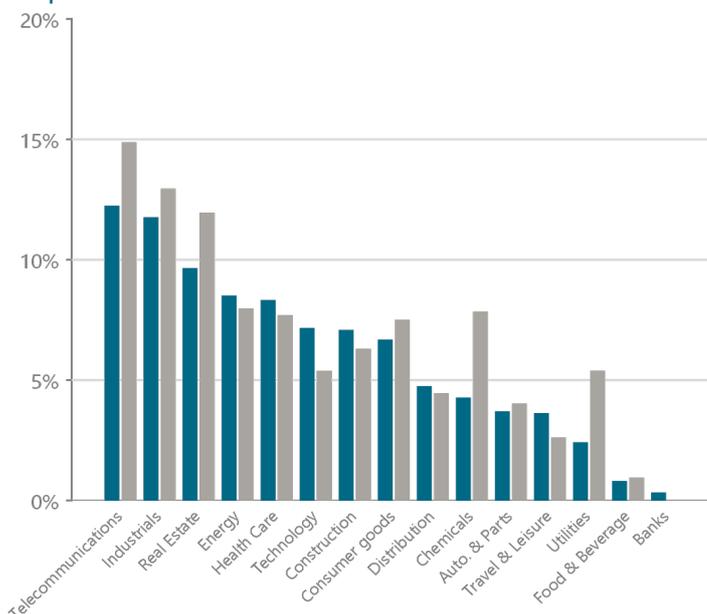
SCOR INVESTMENT PARTNERS

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 75795 Paris Cedex 16

SCOR CONVERTIBLE EUROPE

Monthly report – July 31, 2019

Top 15 sectors ^{3,4}

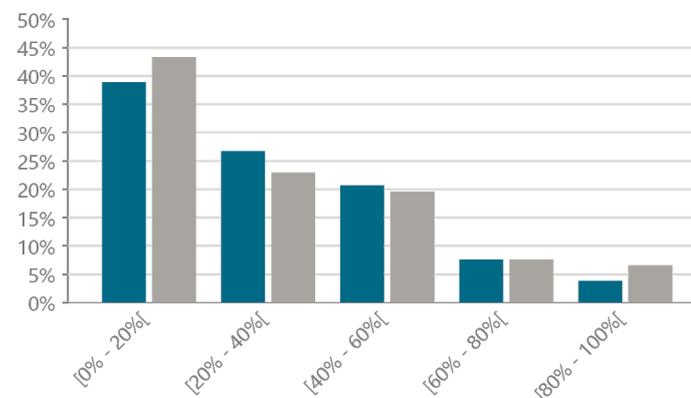


5 largest over/underexposures ^{3,4}

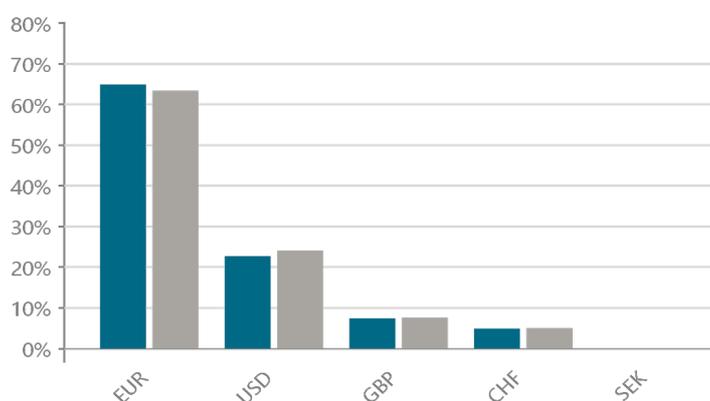
ISSUER	SECTOR	OVER EXPOSURE
SIKA AG	Construction	0.82%
INTL CONSOLIDATED AIR	Travel & Leisure	0.68%
ORPEA	Health Care	0.58%
ADIDAS AG	Consumer goods	0.52%
GEELY SWEDEN FINANCE	Auto. & Parts	0.50%

ISSUER	SECTOR	UNDER EXPOSURE
BAYER AG	Chemicals	-2.61%
VEOLIA ENVIRONNEMENT	Utilities	-1.84%
TELEFONICA PARTICIPAC	Telecommunications	-1.57%
UNIBAIL-RODAMCO SE	Real Estate	-1.31%
DEUTSCHE POST	Industrials	-1.26%

Delta distribution ⁵



Breakdown by currency ⁵



Risk indicators

YEAR	VOLATILITY		TRACKING ERROR	INFORMATION RATIO	BETA
	FUND	INDEX			
Since inception	5.98%	5.45%	1.22%	-0.09	1.07
YTD 2019	3.37%	3.49%	0.46%	-2.54	0.96
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
2013	5.42%	4.27%	1.71%	0.79	1.18

³ % of the AuM, cash and government bonds are excluded

⁴ Exane sectors

⁵ cash & equivalent included

■ Fund
■ benchmark = Exane ECI Europe (Bloomberg Code: EECIEECI Index)

SCOR CONVERTIBLE EUROPE

Monthly report – July 31, 2019

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

BENCHMARK

Exane ECI Europe (Bloomberg Code: EECIECI 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 month of July was anything but quiet. Earnings season and central banks led the way, creating high volatility on equity markets. The S&P 500 topped 3,000 for several days in July before ending the month at 2,980 (+1.4%). This performance is attributable to the Fed Chairman's speech on July 31, which investors considered too aggressive, despite a 25 bps rate cut. In Europe, the Stoxx 600 ended the month virtually unchanged (+0.3%), first buoyed by Mario Draghi's speech but then dragged down by Jerome Powell's. Convertible bonds played their role by absorbing the declines. They rose 1.26% in July, outperforming European stock indices. This performance is attributable to the high quality of the securities comprising the ECI Europe index.

In the United States, the technology sector rose 2.16% thanks to semiconductors, which published better-than-expected results. Consolidation within the sector also helped. It was rumored that Broadcom might make a bid for Symantec. In Europe, AMS announced surprisingly good results, thanks to its facial recognition system. Shares increased 38% in July, but the convertible bond, which is significantly out of the money, rose only 6.8%. STM also published results that were better than expected. The company's growth plan is based on 5G and silicon carbide. Very good results also came from LVMH, MTU Aéro, Airbus, Orpéa and Cellnex. By contrast, chemical stocks were disappointing (e.g., Evonik, Sika and BASF).

Outstanding convertible bonds were reduced by 1) EUR 167m: SGL Carbon prepaid its 2020 convertible bond; and 2) EUR 500m: IAG prepaid its 2020 convertible bond. Nonetheless, Cembra Money Bank (CHF 250m) and Worldline (EUR 600m) each issued a new convertible bond.

Fund manager's comment

The SCOR Convertible Europe fund's positioning as measured by delta is in line with its benchmark, while the monthly performance is slightly lower. YTD the fund has returned a positive performance of 8.30%. Our overweight positions in Adidas, Orpéa and Air France worked to our favor. By contrast, the loss was more significant on our overweight position in Sika. Like other industrial firms, MTU Aéro published very encouraging results, though the fund was significantly underweight. Convertible bonds have done very well YTD, so the approach is getting more prudent now. There is enough cash in the fund to comfortably participate in primary issues.

FUND MANAGERS

ALEXANDRE STOESSEL
SONIA BERREJEB
BENOIT LE PAPE

Disclaimer

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Source: SCOR Investment Partners, unless otherwise specified.

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.