

## Key figures

### PERFORMANCE (C EUR SHARE)

MTD (Month to Date)	-0.22%
YTD (Year to Date)	+8.26%

### FUND SIZE

EUR 88.98m

### NET ASSET VALUE PER UNIT

C EUR share	EUR 1,105.20
C USD hedged share	USD 1,072.65

## Financial data

### NUMBER OF LINES

68

### % MARKET EXPOSURE

89.43%

### AVERAGE EQUITY SENSITIVITY

27.8% (fund) / 31.6% (index)

### AVERAGE PREMIUM

32.20%

### AVERAGE COUPON

0.43%

### AVERAGE RATING <sup>1,2</sup>

BBB+

### AVERAGE DURATION

1.79 (fund) / 2.10 (index)

### SCR

17.70%

<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 Conviction 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	+8.26%	-0.22%	+0.52%	+8.26%	+8.52%	+10.52%
Index	+11.44%	-0.02%	+1.53%	+11.44%	+9.73%	+15.18%
C USD hedged share	+11.31%	-0.03%	+1.15%	+11.31%	-	+7.27%

## Calendar performance

	YTD 2019	2018	2017	2016	2015	2014
C EUR share	+8.26%	-4.43%	+4.89%	-2.76%	+4.73%*	-
Index	+11.44%	-4.89%	+3.53%	-0.41%	+5.40%*	-
C USD hedged share	+11.31%	-3.63%*	-	-	-	-

## Annualized performance

	3 years	5 years	Since inception
C EUR share	+2.76%	-	+2.32%
Index	+3.14%	-	+3.30%
C USD hedged share	-	-	+3.89%

benchmark = Exane ECI Europe (Bloomberg Code: EECIECI 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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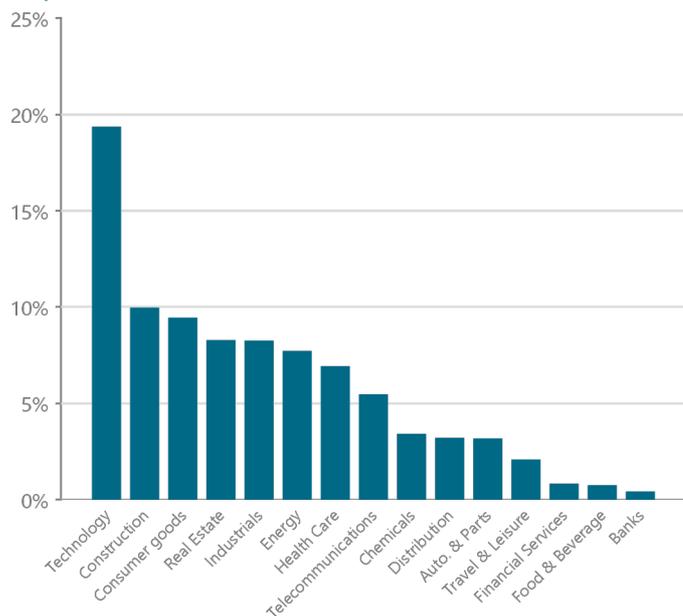
### SCOR INVESTMENT PARTNERS

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 75795 Paris Cedex 16

# SCOR CONVERTIBLE CONVICTION

Monthly report – December 31, 2019

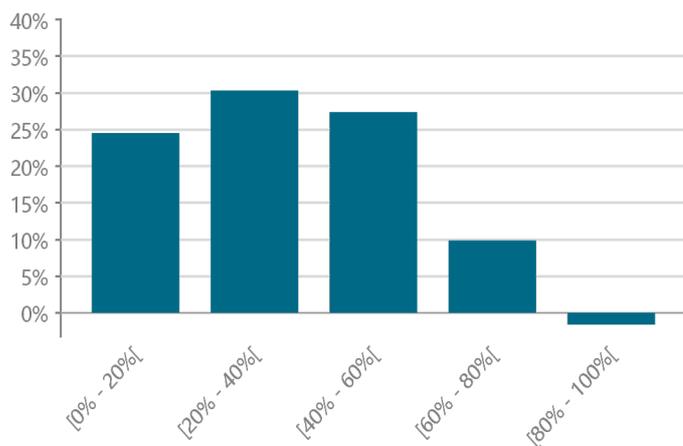
## Top 15 sectors <sup>3,4</sup>



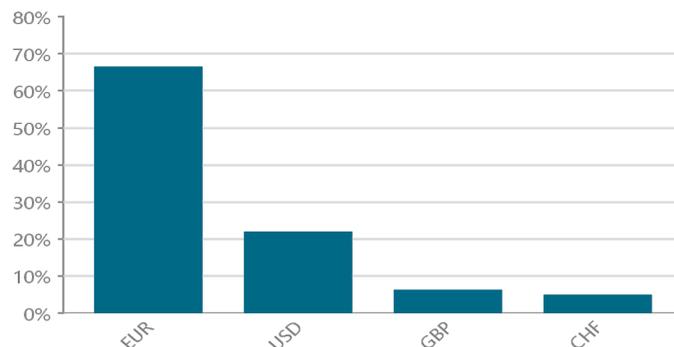
## Top 5 exposures <sup>3,4</sup>

ISSUER	SECTOR	EXPOSURE
SIKA AG	Construction	5.31%
DEUTSCHE WOHNEN	Real Estate	4.64%
CELLNEX TELECOM	Telecommunications	4.00%
STMICROELECTRONICS	Technology	3.95%
LVMH MOET HENNESSY	Consumer goods	3.35%

## 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	6.40%	5.47%	2.78%	-0.35	1.08
2019	3.78%	3.83%	1.23%	-2.59	0.95
2018	6.24%	5.22%	2.81%	0.16	1.14
2017	5.50%	3.86%	2.93%	0.46	1.14
2016	8.30%	6.66%	3.46%	-0.68	1.12

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

<sup>4</sup> Bloomberg Sectors

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

# SCOR CONVERTIBLE CONVICTION

Monthly report – December 31, 2019

## Characteristics

### ISIN CODE

C EUR share	FR0012815892
C USD hedged share	FR0013316767

### BLOOMBERG CODE

C EUR share	SCORCCC FP Equity
C USD hedged share	SCORCCU FR Equity

### FUND NAME

SCOR CONVERTIBLE CONVICTION

### LEGAL FORM

French FCP, under the Directive 2009/65/CE

### INCEPTION DATE

C EUR share	24/08/2015
C USD hedged share	28/02/2018

### FUND CURRENCY

EUR

### RECOMMENDED INVESTMENT HORIZON

3 years minimum

### BENCHMARK

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

C EUR share : 0.71% VAT incl. (for the year 2018)  
C USD share : 0.70% VAT incl. (estimated)

### 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

FR

## Market review

Despite the trade war, which created volatility in risk markets, equities performed exceptionally well in 2019. The S&P 500 ended the year above 3,200 points, rising by +31.08% over all of 2019—the best year since 2013—and the Stoxx 600 advanced by nearly +28%, the most for that index since 2009. The month of December 2019 contributed 3% to the rise in the S&P and 2.15% to that of the Stoxx 600. Nevertheless, convertible bonds did not benefit from the strength in equities in December 2019 and ended the month flat at -0.02%. Convertibles finished the year up +11.44% with an equity sensitivity of 0.32.

The convertible bond market continued to be driven by M&A transactions. Takeaway had to boost its offer for Just Eat to outbid Prosus. The transaction makes sense, but the additional outlay weighed on Takeaway's shares. Meanwhile, the management of Qiagen announced just before Christmas that after careful consideration it preferred to remain independent rather than respond to one of the many merger offers it had received. The market continues to view Qiagen, which lost 20% after this announcement, as a potential target. The aerospace sector, represented by MTU, Safran and Airbus, suffered a ricochet from Boeing's woes. Safran, which produces Leap engines for the 737 Max via its joint venture with General Electrics, stood out as an example. Certain midcaps slumped in December 2019, such as NMC Health, an issuer of USD 450m in convertibles. Muddy Waters came out with a report claiming "serious doubts" with regards to the company's published financials, based on a study carried out by Jefferies. NMC's convertibles retreated 15% to 76. SMCP issued a profit warning, reducing its guidance on future margins. The share lost 33% and the convertible 22%. In contrast, luxury goods, Sika, and STM helped pull the benchmark index up. The last 2019 issue was carried out by Ocado, a UK distributor that issued GBP 600m in convertibles to finance its investment in technology to reduce its delivery times.

## Fund manager's comment

The SCOR Convertible Conviction fund returned a performance of -0.22% in December 2019 and rose by +8.26% over all of 2019 (C EUR share).

The Airbus convertible was called at the beginning of December. Boeing's problems prompted the fund to lighten its overweighting in Safran and to seek equity exposure to Airbus. The fund ended the year with an equity sensitivity slightly below that of its benchmark index. The fund is maintaining a significant level of cash in order to be able to take part in primary market issues in 2020. The fund remains cautious, however, given the exceptional year that just ended.

### FUND MANAGERS

ALEXANDRE STOESSEL  
SONIA BERREJEB  
BENOIT LE PAPE

## 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.