

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	+0.22%
YTD (Year to Date)	+1.17%

FUND SIZE

EUR 52.04m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,040.53

Financial data

NUMBER OF LINES/ISSUERS

96 / 91

NUMBER OF SECTORS ¹

27

% MARKET EXPOSURE

99.75%

AVERAGE RATING ²

BB- (fund)

MODIFIED DURATION

1.07 (cash included) / 1.07 (excluding cash)

OPTION ADJUSTED SPREAD (OAS)

211bps (cash included) / 212 (excluding cash)

AVERAGE YIELD TO WORST

1.96% (cash included) / 1.97% (excluding cash)

AVERAGE YIELD TO MATURITY

2.90% (cash included) / 2.91% (excluding cash)

¹ Barclays sectors

² Based on the worst rating from S&P and Moody's

MORNINGSTAR CATEGORY

EUR High Yield Bonds



Investment strategy and fund's objective

SCOR Euro Short Term Duration High Yield invests in the European high yield bond market. The Fund's objective is to achieve an absolute and positive performance over the recommended investment period by investing in fixed and floating coupon bonds and in debt securities classified as speculative with an anticipated maturity less than three years.

Key points:

- an investment universe comprising only securities denominated in EUR
- an investment universe comprising only companies from OECD member countries
- fundamental issuer analysis is at the heart of the investment process

NAV since inception (basis 1,000)



Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
IC EUR share	+1.17%	+0.22%	+0.61%	+5.16%	+5.00%	+4.05%

Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
IC EUR share	+1.17%	+2.53%	+1.22%	-0.37%	-0.53%*	-

Annualized performance

	3 years	5 years	inception*
IC EUR share	+1.64%	-	+0.99%

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* 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.

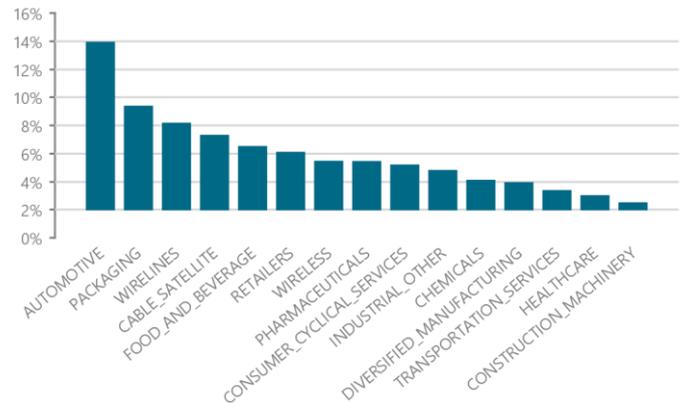
SCOR FUNDS - EURO SHORT TERM DURATION HIGH YIELD

Monthly report – 30 June 2021

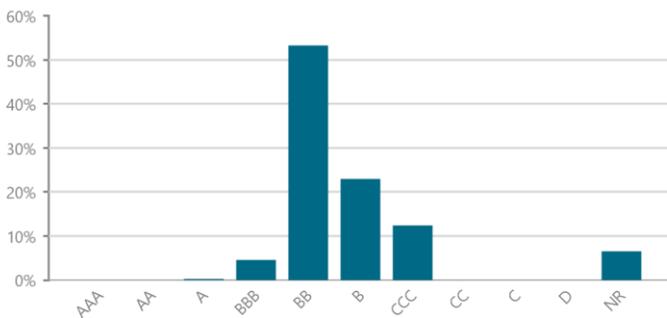
Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
TELECOM ITALIA	Wirelines	1.13%	26/03/2022	3.87%
STELLANTIS NV	Automotive	3.38%	07/07/2023	2.73%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	2.41%
FAURECIA	Automotive	2.63%	15/06/2025	2.34%
GREIF NEVADA	Packaging	7.38%	15/07/2021	2.19%
TELEFONICA EUROPE	Wirelines	2.63%	Perp	2.17%
SES SA	Cable Satellite	5.63%	Perp	2.15%
TECHEM	Industrial Other	6.00%	30/07/2026	2.04%
SUNSHINE MID BV	Food and Beverage	6.50%	15/05/2026	2.01%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.99%

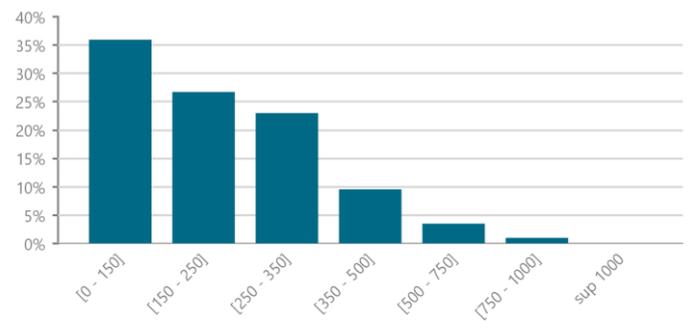
Top 15 sectors ⁴



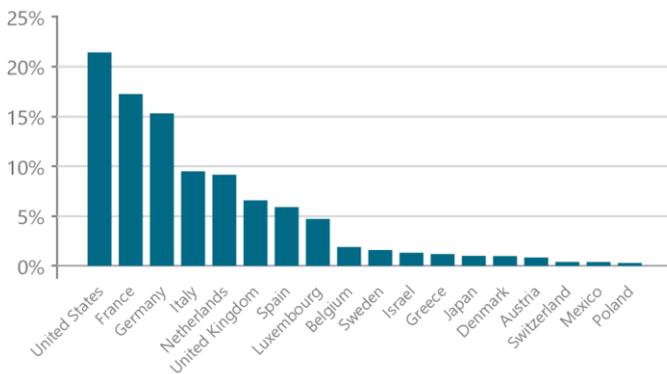
Breakdown by rating ^{3, 5}



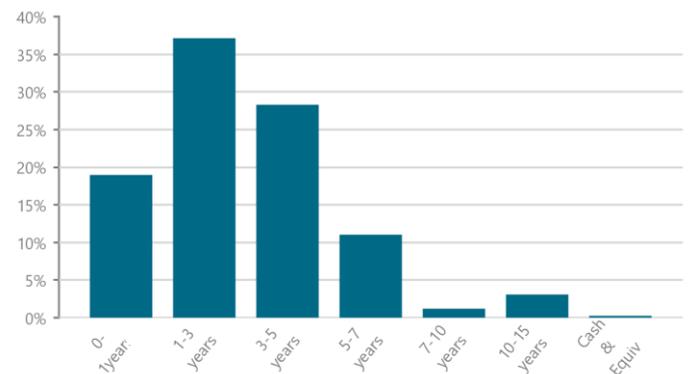
Breakdown by OAS (in bps) ³



Breakdown by country ^{3, 6}



Breakdown by maturity bucket ³



³ % of the AuM, cash and government bonds are not displayed

⁴ Barclays sectors

⁵ Based on the worst rating from S&P and Moody's

⁶ Country of risk, source: Bloomberg

Characteristics

ISIN CODE

IC EUR share LU1497739240

BLOOMBERG CODE

IC EUR share SCOSTHY LX Equity

FUND NAME

SCOR FUNDS - EURO SHORT TERM DURATION HIGH YIELD

LEGAL FORM

Sub-fund of a Luxembourg-based SICAV, under the directive 2009/65/EC (UCITS)

INCEPTION DATE

IC EUR share 20/06/2017

FUND CURRENCY

EUR

RECOMMENDED INVESTMENT HORIZON

3 years minimum

RISK AND REWARD PROFILE

← 1 2 **3** 4 5 6 7 →

↙ 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 February 1, 2021

SUBSCRIPTION / REDEMPTION

Orders received each D day before 12:00 p.m. (Lux. Time), executed on NAV D day

SETTLEMENT AND DELIVERY

D+2 / D+2

ONGOING CHARGES

0.46% VAT incl. (for the year 2020)

PERFORMANCE FEES

None

SUBSCRIPTION / REDEMPTION FEES

Maximum 3.00% / none

CUSTODIAN

BNP Paribas Securities Services, Luxembourg

DELEGATED ACCOUNTING MANAGEMENT

BNP Paribas Securities Services, Luxembourg

COUNTRIES OF COMMERCIALIZATION

BE, FR, LU, MC*, UK

*Only with approved local entities

Market review

The Euro High Yield market ended the month of June 2021 with a performance of +1.38%, while the average OAS stood at 280 bps, versus 350 bps at the beginning of the year. Inflows to high-yield funds and a pause in the primary market, drove robust performance in the first half of June 2021. Later in the month, performance retreated, as a significant supply of primary market issues became available and interest rates became more volatile. Performance since the start of the year is at a peak of +3.00%.

That early-June 2021 pause in the primary market was of short duration, however. Definitive first-half volume figures could come in at around EUR 100bn, i.e. near the record amount for all of 2020. More than 70 issues thus entered the index in the second quarter, without taking into account the very last transactions such as Softbank's jumbo issue. The trend in pricing was clearly away from differentiation between issuers. There was a preponderance of transactions in the B/B+ category, floated at yields between 3.25% and 3.75%. As a result of these tight spreads, secondary market performance is increasingly mixed and allocation ratios high. In less defensive sectors, OIDs still exist but have contracted, such as NH Hoteles (hotels) five-year B+ bonds at 4%. As for LBOs, issues at the bottom of the ratings spectrum looked pricey from a historical perspective with for example a B- rated debt refinanced at 4.25%. The BB category also looked expensive, with transactions at 1.75% or at 2.5%, while first-time issuers offered little in the way of a discount. InPost (technology), for instance, placed bonds at 2.25%. Finally, unrated issues were few and far between. Only Air France opportunistically placed two issues, with maturity of three and five years, at 3.125% and 4%, respectively. In the end, the very high primary market volumes this year reflected an accumulation with a wide variety of drivers: distressed issuers, call exercises, carve-outs, bank loans refinancing, secondary LBOs and dividend distributions.

In the secondary market, corporate hybrids outperformed at the end of the first half because their spreads were high relative to their ratings and did so despite increased interest-rate volatility, which indicates a clear shift in the market. Since the beginning of 2021, however, the segment has significantly underperformed the rest of the Euro High Yield market, gaining only +1.33%. Incidentally, we notice a lack of differentiation between BB, single-B and even BBB issuers, whose spreads have tightened by 15% during the year. Distressed issuers, meanwhile, have clearly outperformed, with the CC index posting absolute performance of +35%.

With regard to default rates, the last distressed issuers that had not benefited from primary market momentum managed to find sources of cash. As a result, JP Morgan once again lowered its default rate forecast to 1.25% for 2021 and 1% for 2022.

Fund manager's comment

The SCOR Euro Short Term Duration High Yield fund rose by +0.22% in June 2021 and has appreciated by +1.17% since the start of the year.

This month, the fund took advantage of the buyback offer at an attractive premium on K+S's 2023 bonds. Saipem bonds bounced back, linked to the rise in oil prices, and positively contributed, while convertibles positions, such as Econocom, Elis and Maisons du Monde, continued to normalize.

On the downside, only Teva, Softbank and SES posted negative contributions, as their primary market issues carried high premiums, which triggered a price adjustment in the secondary market.

As there were no eligible primary issues, the fund's yield-to-call carry strategy was amplified, buying bonds whose issuers do not have any strong reason to call their bonds soon, such as Algeco 2023, United Group 2024 and Rosini 2025. Refinancing situations, such as Edreams 2023 and WFS 2023, were also added. Finally, certain value situations, such as Balta 2024, were also added.

The fund's cash was kept at a minimum so as to benefit from the low default rate environment, which favors carry.

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 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.

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 is hedged, therefore the currency risk is residual. However, it is important to note the residual currency risk that could result from an imperfect hedge. This risk could lead to a fall in net asset value.

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