

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	-3.91%
YTD (Year to Date)	-5.90%

FUND SIZE

EUR 49.50m

NET ASSET VALUE PER UNIT

IC EUR share EUR 989.84

Financial data

NUMBER OF LINES/ISSUERS

95 / 88

NUMBER OF SECTORS¹

26

% MARKET EXPOSURE

98.34%

AVERAGE RATING²

BB- (fund)

MODIFIED DURATION

2.56 (fund)

EFFECTIVE DURATION

1.81 (fund)

OPTION ADJUSTED SPREAD (OAS)

533bps (cash included) / 542bps (excluding cash)

AVERAGE YIELD TO WORST

6.3% (cash included) / 6.41% (excluding cash)

AVERAGE YIELD TO MATURITY

6.31% (cash included) / 6.41% (excluding cash)

¹ Bloomberg 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 Funds - 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	-5.90%	-3.91%	-5.28%	-4.87%	-1.01%	-1.02%

Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
IC EUR share	-5.90%	+2.28%	+2.53%	+1.22%	-0.37%	-0.53%*

Annualized performance

	3 years	5 years	inception*
IC EUR share	-0.34%	-0.17%	-0.20%

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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.

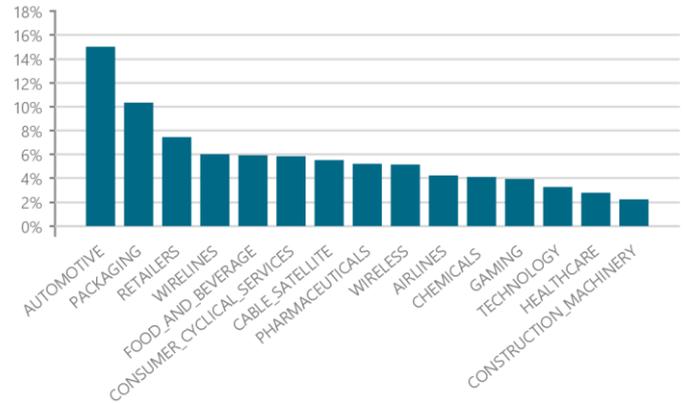
SCOR FUNDS - EURO SHORT TERM DURATION HIGH YIELD

Monthly report – 30 June 2022

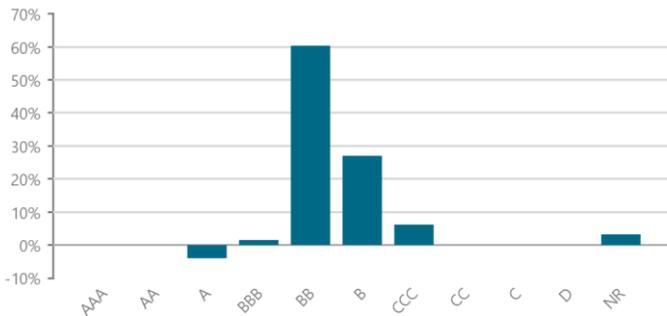
Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
VALEO SA	Automotive	0.63%	11/01/2023	4.03%
BALL CORP	Packaging	4.38%	15/12/2023	3.14%
LUFTHANSA	Airlines	2.00%	14/07/2024	2.91%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	2.25%
FAURECIA	Automotive	2.63%	15/06/2025	2.11%
SUNSHINE MID BV	Food and Beverage	6.50%	15/05/2026	2.04%
NOKIA OYJ	Technology	2.00%	15/03/2024	2.01%
SES SA	Cable Satellite	5.63%	Perp	2.00%
PLATIN 1426 GMBH	Construct. Machinery	5.38%	15/06/2023	1.96%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.95%

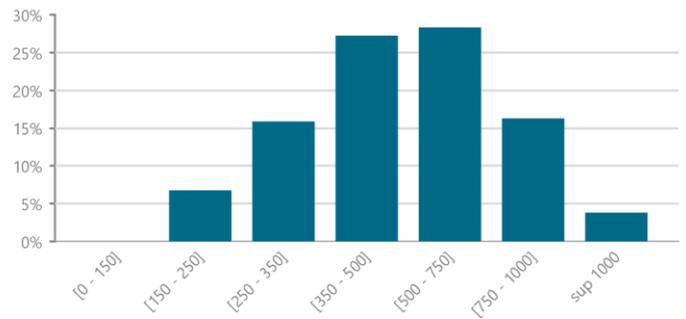
Top 15 sectors ⁴



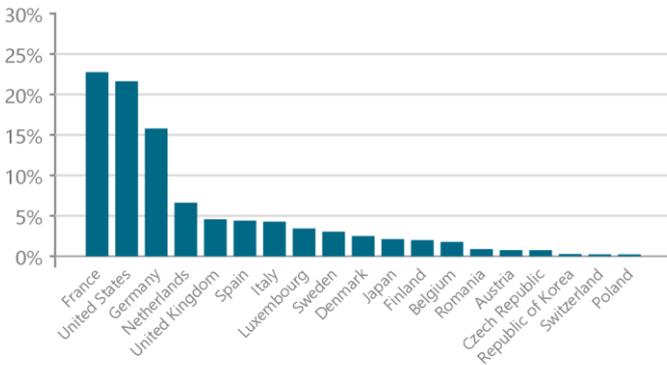
Breakdown by rating ^{3,5}



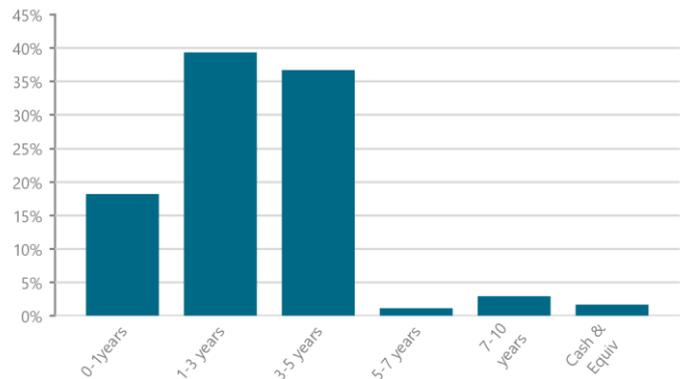
Breakdown by OAS (in bps) ³



Breakdown by country ^{3,6}



Breakdown by maturity bucket ³



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

⁴ Bloomberg sectors

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

⁶ Country of risk, source: Bloomberg

■ Fund

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



← 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 delivered a negative performance -7.01% in June 2022. The widening in spreads gained pace as fears grew the ECB's monetary tightening would trigger stagflation. The average OAS on the Euro High Yield market widened by 179bps to 647bps, representing an excess return of -6.31%. Performance over the second quarter came to negative -10.69%. The worst historical performance of the High Yield Euro for a first half was -14.35% (-9.7% in excess return). The hierarchy between asset classes was restored in June and investment grade outperformed in the first half, at -12.09%.

Redemptions in High Yield funds continued, totaling more than EUR 4 billion in the second quarter and close to EUR 9 billion since the beginning of 2022. The primary market, which is still closed, has recorded EUR 20 billion in gross issues since the start of the year, of which EUR 6.6 billion in the second quarter. If we combine this with the maturities and the coupons paid, the net amount of issues is negative. June's sole issue was linked to Manuchar's (chemicals) LBO by sponsor Lone Star with an 11% yield.

From a rating perspective, CCC-rated issues corrected more sharply in June 2022 as the markets accelerated downwards. Performance was again rating-driven in the second quarter, with CCC-rated issues down -13.61%, while the B and BB-rated segments lost -11.43% and -9.95% respectively. That said, the BB segment includes most of the High Yield hybrid corporates, which again underperformed significantly, delivering a negative return of -11.43% in June, or -15.40% over the second quarter. In addition to the lack of market liquidity and growing extension risk causing yield curves to flatten, this was attributable to the sharp correction in real estate hybrids. Aside from the macro environment, the sector has been affected by growing wariness about Scandinavian and German issues as a result of contagion from Adler and SBB.

In terms of individual issuers, Pro-Gest, a packager that posted very healthy results to end-April 2022, is one of the few to have returned a positive performance in June. Of the largest underperformances, Takko (down 25%), which reported another still weak sequential improvement in its results to end-April, is a concern given the impending maturity of its bonds and the growing difficulty of raising refinancing. Likewise, Mahle (down -18%), an auto parts maker manufacturing thermal engines, has clearly warned the year is likely to be a tough one for EBITDA given the general inflation in its production costs.

The performance of the various sectors has been relatively consistent, excluding underperformance by the media sector caused by its long average duration. As a result, the proportion of so-called distressed debt (priced below 80% of par) soared in June to 27%, while the percentage of "actual distressed debt" was again low. These levels reflect an implied default rate well above recently increased expectations of 2.5% according to Standard & Poor's at year-end 2022, representing default by 20 corporates.

Fund manager's comment

The SCOR Short Term Duration High Yield fund delivered a negative performance of -3.91% in June 2022 and of -5.28% in the second quarter.

The biggest negative contributions came from exposures to the longest maturities, especially the Techem 2026 and TUI Cruise 2026, while the fund was protected by its cash holdings still at close to 10% and its exposure to bullet bonds with a maturity of less than 1 year still trading close to par.

We sold the CMA CGM 2026 line, which held up at a high price. We took advantage of the rapid widening in risk premiums during June by investing at below par towards the end of the month in bonds due in 2023 and 2024, including the Ford 2023, Telecom Italia 2023 and Volvo 2024.

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.