

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	+0.57%
YTD (Year to Date)	-0.66%

FUND SIZE

EUR 52.26m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,044.97

Financial data

NUMBER OF LINES/ISSUERS

86 / 83

NUMBER OF SECTORS¹

25

% MARKET EXPOSURE

91.24%

AVERAGE RATING²

BB- (fund)

MODIFIED DURATION

1.58 (fund)

EFFECTIVE DURATION

1.54 (fund)

OPTION ADJUSTED SPREAD (OAS)

328bps (cash included) / 359bps (excluding cash)

AVERAGE YIELD TO WORST

3.3% (cash included) / 3.62% (excluding cash)

AVERAGE YIELD TO MATURITY

3.62% (cash included) / 3.97% (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	-0.66%	+0.57%	-0.66%	+1.04%	+4.57%	+4.50%

Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
IC EUR share	-0.66%	+2.28%	+2.53%	+1.22%	-0.37%	-0.53%*

Annualized performance

	3 years	5 years	inception*
IC EUR share	+1.50%	-	+0.92%

* 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.

Contact

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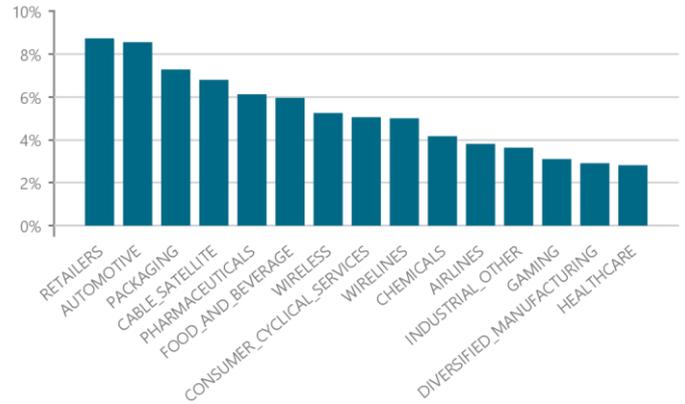
SCOR FUNDS - EURO SHORT TERM DURATION HIGH YIELD

Monthly report – 31 March 2022

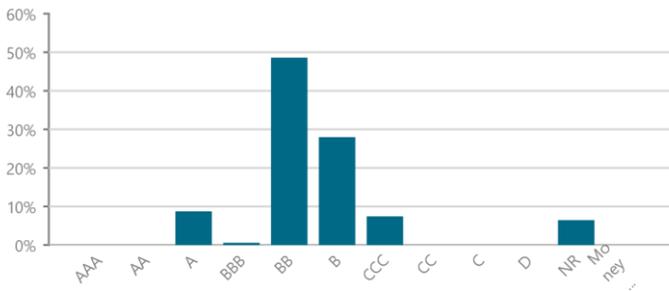
Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
LUFTHANSA	Airlines	2.00%	14/07/2024	2.87%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	2.31%
FAURECIA	Automotive	2.63%	15/06/2025	2.26%
SES SA	Cable Satellite	5.63%	Perp	2.01%
SUNSHINE MID BV	Food and Beverage	6.50%	15/05/2026	1.97%
DKT FINANCE APS	Wirelines	7.00%	17/06/2023	1.96%
DARLING GLOBAL F	Food and Beverage	3.63%	15/05/2026	1.96%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.95%
IGT	Gaming	3.50%	15/06/2026	1.95%
AKKA TECHNOLOGIES	Industrial Other	3.50%	Perp	1.93%

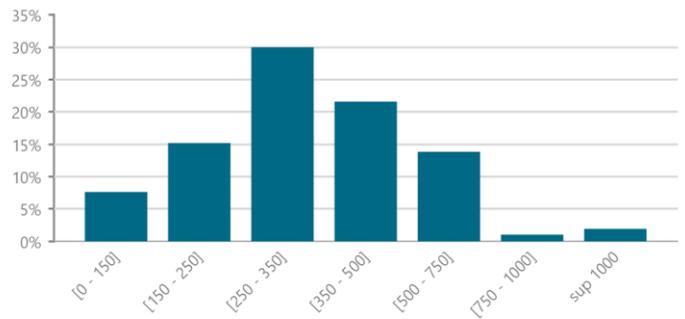
Top 15 sectors⁴



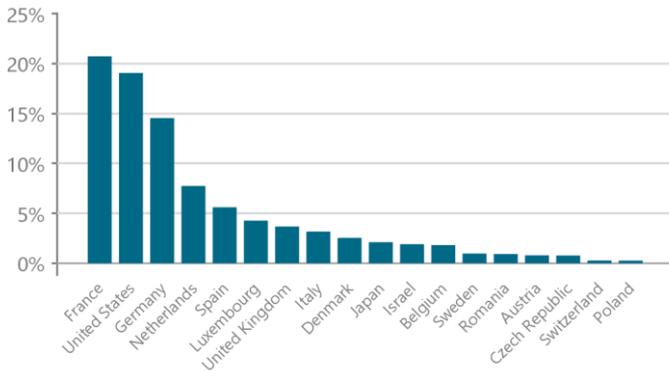
Breakdown by rating^{3,5}



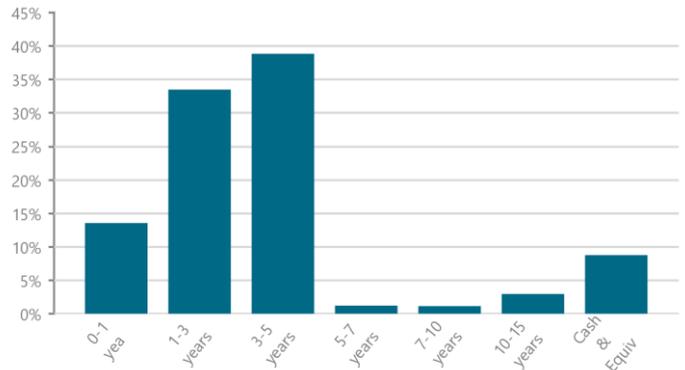
Breakdown by OAS (in bps)³



Breakdown by country^{3,6}



Breakdown by maturity bucket³



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 posted a positive performance of +0.23% in March 2022, but was down -4.09% in the first quarter of 2022. The market finished the first quarter on a positive note, following mention of a cease-fire between Ukraine and Russia in early March. Spreads retraced more than half the increase from their widest point. The average OAS vs sovereign debt thus narrowed by 100 bps after the peak to 386 bps at end-March, representing an increase of 85 bps during the first quarter. As a result, the credit component posted a negative performance of -1.45%, with the sudden rise in interest rates during the period accounting for nearly two-thirds thereof. The most recent eurozone and US inflation figures took central banks by surprise and prompted them to tighten the monetary screws, which accentuated the sell-off on interest rates.

The primary market remained listless until end-March. Only EUR 12 billion have been issued since the start of the year, down -65% compared with the year-earlier period, and they were concentrated in January. Crossover issuers Cellnex and TVO constituted the rare high-yield issues in March. Uncharacteristically, they issued short-maturity bonds. The list of expected issues is growing. The lack of opportunity on new issues is continuing to support the high-yield market, and there were some inflows into funds at the end of March. Cash remained substantial, however, as funds sought to avoid forced sales in a relatively illiquid market. Outflows amounted to EUR 4 billion during the first quarter.

The default rate in Europe increased for the first time in 10 months to 0.7%, according to JP Morgan, and related only to small notionals, with a recovery rate still well in excess of the long-term average. Even though spreads widened until early March, the proportion of distressed debt and the dispersion of spreads within the high-yield category remained low. This is because rising interest rates were the principal contributor to negative performance, and the technical factors supporting the market prompted investors to cap yields, causing spreads to narrow during the month. The rise in raw material and energy prices and the shortages expected as a result of new lockdowns in China sparked fears of a slowdown in economic activity, but did not seem to have had much impact on spreads, except for the airline and automotive sectors. These again performed negatively in March. As these risks come into focus, they are starting to have an impact on the most directly-affected sectors, such as packaging. Two packaging industry issuers have had to temporarily close certain production facilities to avoid operating at a loss. Nevertheless, fourth-quarter earnings publications were mostly positive, particularly for the companies least affected by the market tension (e.g. gaming and luxury retail).

Fund manager's comment

The SCOR Euro Short Term Duration High Yield fund posted a positive performance of +0.57% in March 2022, but a negative performance of -0.66% during the first quarter. During the two periods, the fund's performance was significantly higher than that of the overall high-yield market.

On a sectoral basis, with no fossil fuel and tobacco companies, the fund was not exposed to Wintershall, involved in the NordStream 2 project, nor to UGI, an oil and gas transporter, which were among the most negative performers during the first quarter.

The fund's yield-curve positioning strategy was a positive factor in the context of significant interest-rate increases. Exposure to short-term bullet maturities and on callable, high-coupon issues softened the impact of higher interest rates, as the yield curve steepened.

The fund sold off its position in PlayTech 2026, which is involved in Ukraine, and reinvested cash from maturing Telecom Italia and TDC issues in Tereos 2025, Sazka 2024 and CBR 2026, among others, so as to keep cash at the same level.

Over the course of the quarter the fund built up cash, on average at 5%, and close to 10% at the end of the period, which was beneficial for the fund.

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.