

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	-0.18%
YTD (Year to Date)	+1.57%

FUND SIZE

EUR 52.24m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,044.63

Financial data

NUMBER OF LINES/ISSUERS

90 / 84

NUMBER OF SECTORS¹

25

% MARKET EXPOSURE

96.26%

AVERAGE RATING²

BB- (fund)

MODIFIED DURATION

1.27 (fund)

EFFECTIVE DURATION

1.36 (fund)

OPTION ADJUSTED SPREAD (OAS)

353bps (cash included) / 366bps (excluding cash)

AVERAGE YIELD TO WORST

2.83% (cash included) / 2.94% (excluding cash)

AVERAGE YIELD TO MATURITY

3.39% (cash included) / 3.52% (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	+1.57%	-0.18%	-0.07%	+1.88%	+5.39%	+4.46%

Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
IC EUR share	+1.57%	+2.53%	+1.22%	-0.35%	-0.53%*	-

Annualized performance

	3 years	5 years	inception*
IC EUR share	+1.76%	-	+0.99%

Contact

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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.

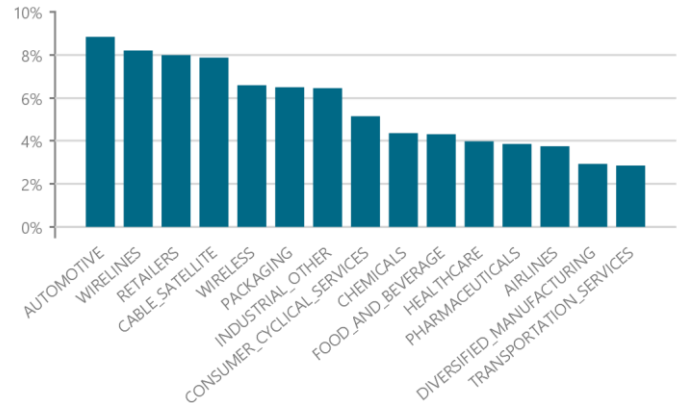
SCOR FUNDS - EURO SHORT TERM DURATION HIGH YIELD

Monthly report – 30 November 2021

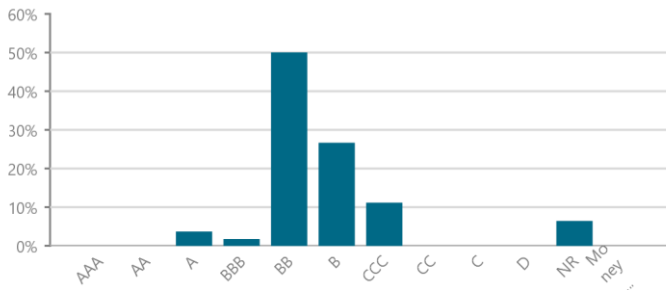
Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
TELECOM ITALIA	Wirelines	1.13%	26/03/2022	3.84%
LUFTHANSA	Airlines	2.00%	14/07/2024	2.82%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	2.36%
FAURECIA	Automotive	2.63%	15/06/2025	2.35%
SES SA	Cable Satellite	5.63%	Perp	2.13%
IGT	Gaming	3.50%	15/06/2026	1.98%
SUNSHINE MID BV	Food and Beverage	6.50%	15/05/2026	1.98%
PLATIN 1426 GMBH	Construc, Machinery	5.38%	15/06/2023	1.96%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.95%
DARLING GLOBAL	Food and Beverage	3.63%	15/05/2026	1.95%

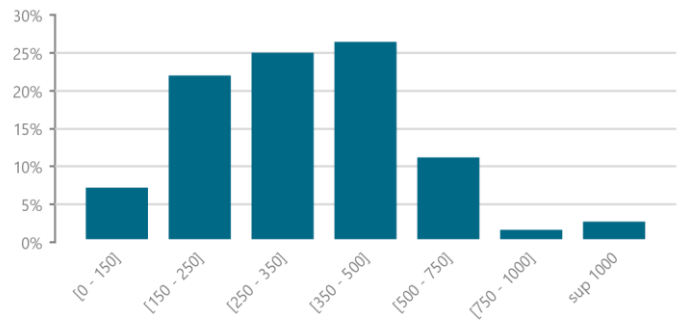
Top 15 sectors ⁴



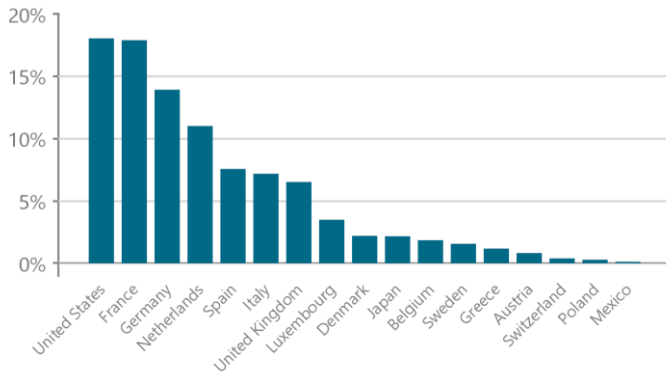
Breakdown by rating ^{3, 5}



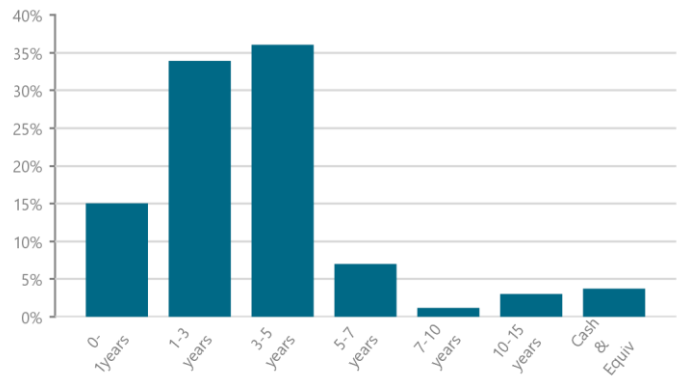
Breakdown by OAS (in bps) ³



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

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 posted a negative performance of 44 bps during the month, its sharpest decline since September 2020. Thirty-day realized volatility stood at more than 2%, its highest level so far this year. The OAS vs. Bund widened by 42 bps to 340 bps, as swap spreads moved significantly during the month, while the OAS vs. swap widened by only 10 bps to 295 bps. The yield-to-worst stood at more than 3%, higher than at beginning of the year.

Macroeconomic factors were the principal elements of confusion leading to this rise in volatility. On the one hand, inflation statistics and economic activity, combined with hawkish comments from members of the ECB and the Fed have caused two-year yields to firm, while on the other hand fears sparked by the new variant have depressed long-term yields once again. In the end, yield and credit curves flattened significantly. BB-rated securities are yielding 1-2% in the two-year range, whereas they yielded less than 50 bps only a short while ago.

From a sectoral point of view, companies related to economic reopening, such as TUI Cruise, Lufthansa, British Airways and Carnival, were hit hard by new developments with regard to the pandemic. Results in the automotive sector also weighed on issuers such as Standard Automotive, Antolin and Faurecia, the last of which has lowered its full-year guidance again. On the M&A front, KKR's interest in Telecom Italia hints at a scenario similar to that of Iliad for the bonds, whose longest durations have declined by nearly 10 points. Conversely, the British Telecom hybrid bounced back sharply following the adoption of a change-of-control clause as a protection against Patrick Drahi increasing his stake in the company.

The primary market is active but focused on BB-rated issuers, such as Accor, Lufthansa, Verallia and Rexel. A Lottomatica bond was issued at more than 8% with a PIK-Toggle feature; its purpose is to fund dividend payments to shareholders. Primary market volume for the year is nearly EUR 150 billion, almost 50% higher than the previous record. Projections are high for European issues in 2022, because the M&A theme alone might contribute EUR 50 billion in new issues through secondary LBOs, carve-outs or delistings.

After November's peak in volatility, the high-yield market should stabilize in December 2021, especially as the number of earnings announcements will also subside. In addition, numerous raw material prices, such as oil and gas, are loosening, which should calm fears, at least temporarily, that inflation will impact issuers' margins.

Fund manager's comment

The SCOR Euro Short Term Duration High Yield fund returned a negative performance of -0.18% in November 2021, and has appreciated by +1.57% since the start of the year, holding up well against volatile markets, despite significant exposure to B/CCC-rated callable bonds.

While the fund is suffering principally from its exposure to the transportation sector (Lufthansa, Air France, Getlink) as a result of resurgent Covid risk, a significant part of the portfolio is posting positive performance, such as CMA, Wind Hellas and Balta, in disparate sectors.

Following the market correction, the fund made a few opportunistic purchases, such as Getlink 2025 and PlayTech 2023, which were trading at very attractive yields.

The investment team plans to pursue these investments, and to reduce the proportion of remaining cash.

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.