

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	+0.47%
YTD (Year to Date)	+1.20%

FUND SIZE

EUR 152,72m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,129.33

Financial data

NUMBER OF LINES/ISSUERS

299 / 208

NUMBER OF SECTORS¹

34

% MARKET EXPOSURE

99.69%

THEORETICAL BETA

1.05

AVERAGE RATING²

BB- (fund) / BB- (index)

AVERAGE DURATION

3.48 (fund) / 3.36 (index)

OPTION ADJUSTED SPREAD (OAS)

360bps (fund) / 355bps (index)

AVERAGE YIELD TO WORST

3.04% (fund) / 2.99% (index)

AVERAGE YIELD TO MATURITY

3.12% (fund) / 2.99% (index)

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 FUNDS - Europe High Yield invests in Euro-denominated high yield bonds. The fund's investment objective is to achieve a performance greater or equal to the "Bloomberg Barclays Pan Europe High Yield 2.5% issuer constrained ex Financial" index, less any fees or expenses to be borne by the fund, throughout the recommended investment period.

Key points:

- the investment process aims to build a highly diversified portfolio
- fundamental issuer analysis is at the heart of the investment process
- an investment universe comprising securities denominated in EUR, GBP, CHF and other European currencies
- no investments in bonds issued by financial institutions neither in credit derivatives

NAV since inception (basis 1,000)



Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
IC EUR share	+1.20%	+0.47%	+1.20%	+21.90%	+12.90%	+12.93%
Index	+1.60%	+0.52%	+1.60%	+21.77%	+11.61%	+12.65%

	YTD 2021	2020	2019	2018	2017	2016
IC EUR share	+1.20%	+4.93%	+8.91%	-3.25%	+0.93%*	-
Index	+1.60%	+2.33%	+10.68%	-3.59%	+1.55%*	-

Annualized performance

	3 years	5 years	inception*
IC EUR share	+4.12%	-	+3.35%
Index	+3.72%	-	+3.28%

Contact

SALES TEAM

Phone: +33 1 58 44 70 00

scorip.sales@scor.com

www.scor-ip.com

SCOR INVESTMENT PARTNERS

5, avenue Kléber
75795 Paris Cedex 16
France

index = Bloomberg Barclays Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : BPEHTREH Index)
* 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 – EUROPE HIGH YIELD

Monthly report – March 31, 2021

Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.33%
REPSOL INTL FINANCE	Integrated	2.50%	Perp	1.31%
RENAULT SA	Automotive	2.38%	25/05/2026	1.20%
ALTICE FRANCE SA	Wireless	5.88%	01/02/2027	1.13%
TELECOM ITALIA	Wirelines	4.00%	11/04/2024	1.03%
REPSOL INTL FINANCE	Integrated	4.25%	Perp	1.02%
TELEFONICA EUROPE	Wirelines	4.38%	Perp	1.00%
SUMMER BC HOLDCO	Media Entertainment	5.75%	31/10/2026	0.99%
VEOLIA	Utility Other	2.25%	Perp	0.94%
AUTOSTRAD	Transportation	2.00%	15/01/2030	0.94%

5 largest overexposures³

ISSUER	SECTOR	OVER EXPOSURE
REPSOL INTL FINANCE	Integrated	2.19%
TELECOM ITALIA	Wirelines	1.69%
TELEFONICA EUROPE	Wirelines	0.96%
BP CAPITAL MARKETS	Integrated	0.94%
WPP FINANCE	Media Entertainment	0.88%

5 largest underexposures³

ISSUER	SECTOR	UNDER EXPOSURE
CELLNEX TELECOM	Wireless	-1.45%
VERISURE	Consumer Cyclical Services	-0.93%
BELLIS ACQUISITION	Supermarkets	-0.93%
VALEO SA	Automotive	-0.89%
ARCELORMITTAL	Metals and Mining	-0.85%

Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.83%	5.16%	0.66%	0.10	0.92
YTD 2021	1.56%	1.52%	0.26%	-6.31	1.01
2020	8.77%	9.32%	1.03%	2.54	0.92
2019	2.07%	2.24%	0.47%	-3.73	0.88
2018	2.00%	2.18%	0.44%	0.78	0.88

*Based on weekly NAVs, the volatility of the Fund may not only reflect the volatility of the securities in the portfolio due to the application of the swing pricing mechanism.

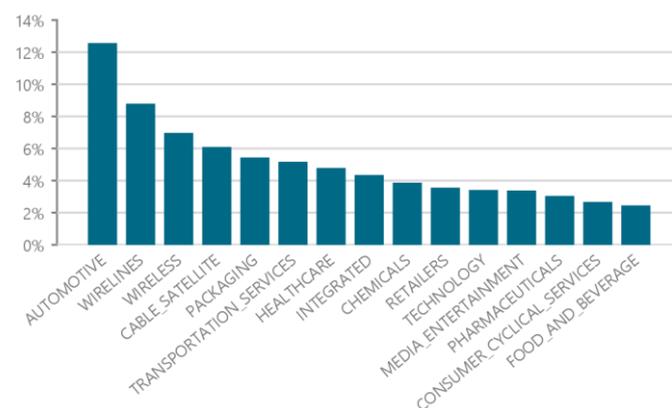
³% of the AuM

⁴Barclays sectors

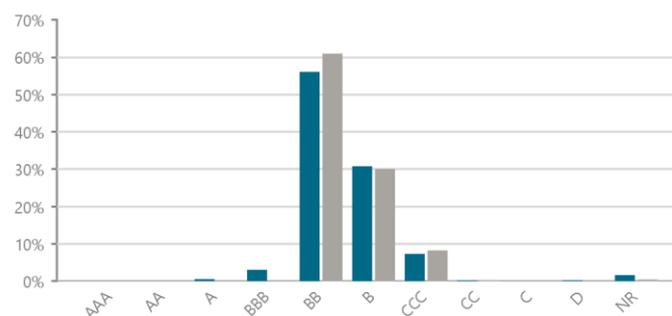
⁵Based on the worst rating from S&P and Moody's

■ Fund
■ index = Bloomberg Barclays Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : BPEHTREH Index)

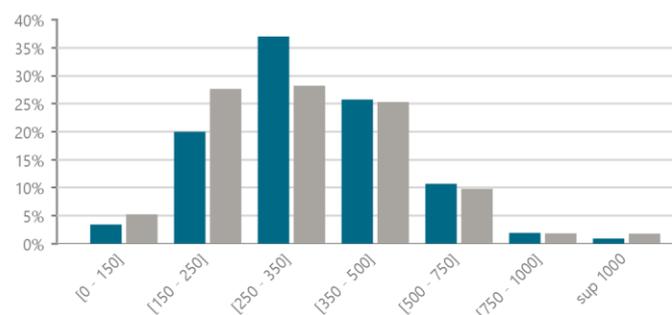
Top 15 sectors⁴



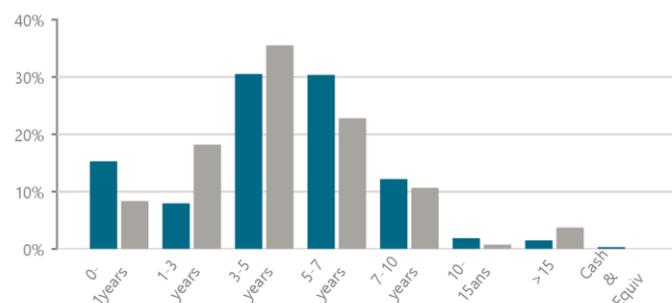
Breakdown by rating^{3,5}



Breakdown by OAS (in bps)³



Breakdown by maturity bucket³



Characteristics

ISIN CODE

IC EUR share LU1497740842

BLOOMBERG CODE

IC EUR share SCEICEC LX Equity

FUND NAME

SCOR FUNDS – EUROPE HIGH YIELD

LEGAL FORM

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

INCEPTION DATE

IC EUR share 24/07/2017

FUND CURRENCY

EUR

RECOMMENDED INVESTMENT HORIZON

3 years minimum

INDEX

Bloomberg Barclays Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : BPEHTREH Index)

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. (Paris time), executed on NAV D day

SETTLEMENT AND DELIVERY

D+2 / D+2

ONGOING CHARGES

0.65% VAT incl. (estimate)

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 achieved a performance of +0.54% in March 2021 and has risen +1.60% since the beginning of the year. The average OAS remained stable at 307 bps.

The main event in the first quarter was the volume of primary market issues, which reached EUR 50bn. Annualized, this was double the previous record, set last year. The trend was similar in the United States and resulted from an abundance of liquidity offered to issuers. There is therefore little risk that default rates will rise; rather, they should settle at very low levels in 2021, probably less than 2%. Most default candidates, such as Douglas in the retailing sector, were able to place their bonds in the market. Casino succeeded in extending the maturity of its liabilities for the second time this year, obtaining visibility until 2025. Despite the plethora of supply, issue prices look high. Yields on certain syndicated transactions are now so low that there is no prospect of price appreciation on the secondary market. Hapag-Lloyd, operating in the very cyclical shipping sector, for example, issued bonds maturing in 2028 at a yield of 2.5%, a hitherto unheard-of level for this type of issuer. Private, LBO-type issuers in defensive sectors are issuing single-B rated secured tranches under 3.5% and CCC rated unsecured tranches at 5%, as in the case of Foncia. Conversely, less defensive sectors are still offering a significant yield premium. Examples include CGG which placed a single-B bond at 7.75%.

In the secondary market, bonds with the longest durations and the tightest spreads underperformed, such as Telecom Italia 2055, Kraft Heinz 2028, Renault 2027 and Ball 2027. Cash flowed systematically into issues with maturities of less than five years and wide spreads, which investors considered more defensive in the context of volatile interest rates. From a sectoral point of view, the most capital-intensive issuers, such as telecommunications companies UPC and Ziggo, also have particularly attractive valuations. Lastly, certain re-leveraging transactions have appeared in the form of dividend distributions, such as Foncia, or acquisitions, such as Masmovil's bid for Euskatel, and could spark a broader trend. Concerning positive performances, apart from distressed issuers buoyed by the prospect of refinancing, such as Takko, certain earnings publications provided welcome surprises, such as Banijay, Fives, Selecta and the automotive sector as a whole.

With average duration of three years and spreads of more than 300 bps, high yield bonds are confirming their defensive status amid rising rates and were one of the few asset classes to post a positive performance in March and YTD. European and US investment-grade bonds are posting negative monthly and YTD performances, as are emerging market bonds. The rising cost of debt for high yield issuers could cause US investors to brood again, given how much rates have risen, but European high yield issuers should continue to benefit from low rates, and we anticipate an acceleration of inflows into the European high yield market.

Fund manager's comment

The SCOR Europe High Yield fund returned a positive performance of +0.47% in March 2021. The year-to-date performance is up +1.20% (IC EUR Share).

The fund's beta is higher than that of the index and this contributed positively to the fund's relative performance, but the underweighting on several distressed issues, such as Selecta, Douglas and Carnival, which bounced back sharply, contributed negatively. On the positive side, corporate hybrids, such as Telefonica, Repsol, BP and ENI, which have gradually been increased since the beginning of the year, performed well. Previously wide spreads on individual positions such as Casino, Econocom, Avis and CBR Fashion, also narrowed.

There was significant movement in the portfolio. Carry positions on issues with active call features, but which we do not expect to be called soon, have been strengthened. Interest-rate volatility also offered yield curve opportunities on Telecom Italia. We added to the telecommunications sector, given its attractive valuation. Most transactions in the primary market have been declined, as they did not offer discounts.

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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.