

## Key figures

### PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	+0.29%
YTD (Year to Date)	+3.19%

### FUND SIZE

EUR 155.71m

### NET ASSET VALUE PER UNIT

IC EUR share EUR 1,151.46

## Financial data

### NUMBER OF LINES/ISSUERS

286 / 204

### NUMBER OF SECTORS<sup>1</sup>

35

### % MARKET EXPOSURE

98.59%

### THEORETICAL BETA

0.91

### AVERAGE RATING<sup>2</sup>

BB- (fund) / BB- (index)

### MODIFIED DURATION

2.85 (fund) / 3.31 (index)

### OPTION ADJUSTED SPREAD (OAS)

348bps (fund) / 331bps (index)

### AVERAGE YIELD TO WORST

2.76% (fund) / 2.65% (index)

### AVERAGE YIELD TO MATURITY

2.88% (fund) / 2.65% (index)

<sup>1</sup> Bloomberg sectors

<sup>2</sup> 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 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	+3.19%	+0.29%	+1.22%	+8.10%	+14.79%	+15.15%
Index	+3.66%	+0.29%	+1.26%	+8.27%	+13.00%	+14.94%

## Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
IC EUR share	+3.19%	+4.93%	+8.91%	-3.25%	+0.93%*	-
Index	+3.66%	+2.33%	+10.68%	-3.59%	+1.55%*	-

## Annualized performance

	3 years	5 years	inception*
IC EUR share	+4.70%	-	+3.49%
Index	+4.15%	-	+3.45%

## Contact

### SALES TEAM

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### SCOR INVESTMENT PARTNERS

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index = Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : H20718EU 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 – August 31, 2021

## Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.31%
RENAULT SA	Automotive	2.38%	25/05/2026	1.19%
SES SA	Cable Satellite	2.88%	Perp	1.17%
ALTICE FRANCE SA	Wireless	5.88%	01/02/2027	1.09%
LEVI STRAUSS	Retailers	3.38%	15/03/2027	1.07%
VEOLIA	Utility Other	2.25%	Perp	1.07%
TELEFONICA	Wirelines	4.38%	Perp	1.00%
INTERTRUST GROUP	Consumer Cyclical	3.38%	15/11/2025	0.99%
TELECOM ITALIA	Wirelines	4.00%	11/04/2024	0.98%
AUTOSTRAD	Transportation	2.00%	15/01/2030	0.96%

## 5 largest overexposures<sup>3</sup>

ISSUER	SECTOR	OVER EXPOSURE
TELEFONICA	Wirelines	1.55%
ALTICE FRANCE	Wireless	1.26%
TELECOM ITAL	Wirelines	1.10%
SES SA	Cable Satellite	1.04%
REPSOL INTL FINANCE	Integrated	0.98%

## 5 largest underexposures<sup>3</sup>

ISSUER	SECTOR	UNDER EXPOSURE
CELLNEX TELECOM	Wireless	-1.61%
NETFLIX INC	Media Entertainment	-1.11%
BAYER AG	Pharmaceuticals	-1.08%
VALEO SA	Automotive	-0.97%
BELLIS ACQUISITION	Supermarkets	-0.83%

## Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.59%	4.90%	0.63%	0.07	0.92
YTD 2021	1.19%	1.13%	0.24%	-3.05	1.03
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.

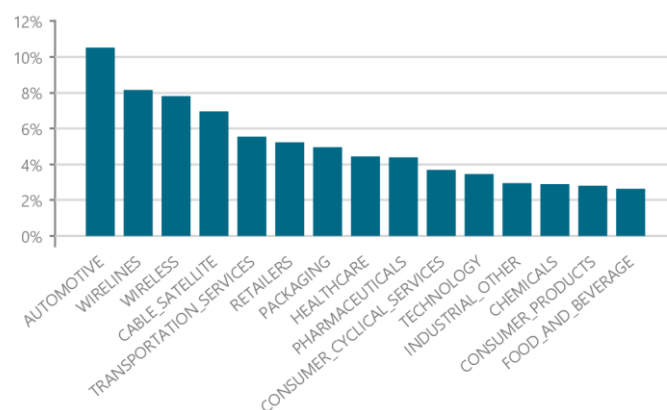
<sup>3</sup> % of the AuM

<sup>4</sup> Bloomberg sectors

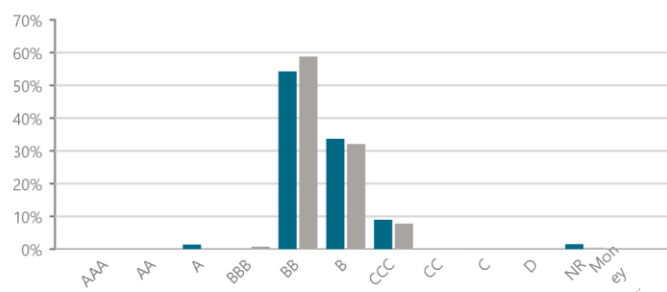
<sup>5</sup> Based on the worst rating from S&P and Moody's

■ Fund  
■ index = Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : H20718EU Index)

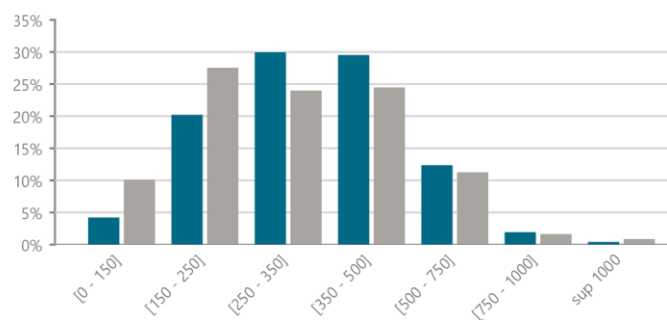
## Top 15 sectors<sup>4</sup>



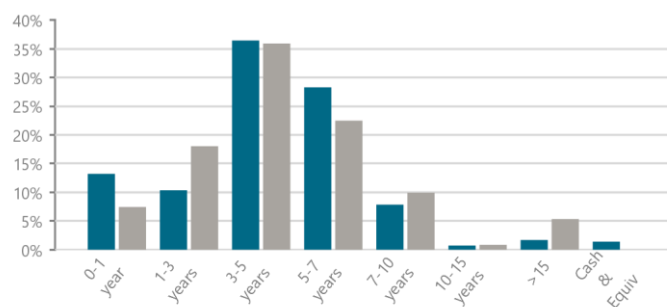
## Breakdown by rating<sup>3,5</sup>



## Breakdown by OAS (in bps)<sup>3</sup>



## Breakdown by maturity bucket<sup>3</sup>



## 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 Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Code Bloomberg : H20718EU Index)

### 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. (Paris time), executed on NAV D day

### SETTLEMENT AND DELIVERY

D+2 / D+2

### ONGOING CHARGES

0.67% 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 achieved a performance of +0.27% in August 2021 (index : Bloomberg Euro HY 3% constraint excl. Fin., ticker I20845EU), with the BB segment underperforming the single-B segment (+0.19% vs +0.40%).

In July and August 2021, the high-yield market posted a performance of +0.67%, while realized volatility was very low: 0.5% over the last 30 days. This confirmed the summer carry strategy, against a background of ever-lower yields and despite increasing volatility in equities.

The Q2-2021 earnings reporting season was positive, with 60% of high-yield issuers beating the EBITDA consensus, while only 10% missed their targets. The most interesting statistic is that more than half of issuers increased their full-year guidance.

In terms of performance, there were no real sectoral trends, apart from the energy sector, where issuers such as CGG, Valourec and Saipem underperformed. Separately, volatility was high in Chinese equities, impacting essentially Softbank.

As usual, the primary market was very quiet in August, but activity should pick up significantly in September, principally via M&A transactions. Several transactions have already taken place. Altice UK has taken a stake in British Telecom, Iliad has been taken private, United Group has bought Wind Hellas, and especially, Faurecia has acquired equipment manufacturer Hella for nearly EUR 7bn.

With an average spread slightly over 300 bps and default rates very low both in Europe and United States, the Euro High Yield market seems to be one of the few asset classes offering positive carry, and it should benefit from inflows between now and the end of the year 2021.

## Fund manager's comment

The SCOR Europe High Yield fund returned a positive performance of +0.29% in August 2021, in line with its benchmark index. The year-to-date performance is up +3.19%.

The funds' strategy was to benefit from the carry during the summer against the prospect of low volatility. Accordingly, with cash of less than 2% on average over the period, the fund was fully invested more or less evenly across all rating categories.

In terms of individual contributions, the high-yield market's very low realized volatility prevented any single issuer from standing out significantly. Nevertheless, Sappi, Casino, Schaeffler and Renault posted good absolute performance, while Softbank continued to decline.

Summer illiquidity limited secondary market activity. The fund took profits on Schaeffler following its earnings publication, as it did on SES hybrid bonds. Conversely, the fund initiated carry positions on Diversey and on the Akka Technologies convertible, following that company's takeover by Adecco.

The fund's beta was only 94% at the end of the month, despite being nearly 100% invested, because the fund has a significant weighting in issues valued at first call. These issues have a very low duration but offer, in our view, an attractive 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.