

Key figures

PERFORMANCE (IC EUR SHARE)

| | |
|---------------------|---------|
| MTD (Month to Date) | -1.24% |
| YTD (Year to Date) | -10.93% |

FUND SIZE

EUR 164.32m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,025.50

Financial data

NUMBER OF LINES/ISSUERS

274 / 194

NUMBER OF SECTORS¹

34

% MARKET EXPOSURE

95.04%

THEORETICAL BETA

1.01

AVERAGE RATING²

BB- (fund) / BB- (index)

MODIFIED DURATION

3.28 (fund) / 3.40 (index)

OPTION ADJUSTED SPREAD (OAS)

573bps (fund) / 561bps (index)

AVERAGE YIELD TO WORST

6.83% (fund) / 6.79% (index)

AVERAGE YIELD TO MATURITY

6.84% (fund) / 6.79% (index)

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 - 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 | -10.93% | -1.24% | -3.33% | -10.94% | -2.12% | +2.55% |
| Index | -10.77% | -1.34% | -3.20% | -10.91% | -3.97% | +2.41% |

Calendar performance

| | YTD 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------|----------|--------|--------|---------|--------|---------|
| IC EUR share | -10.93% | +3.17% | +4.93% | +8.91% | -3.25% | +0.93%* |
| Index | -10.77% | +3.51% | +2.33% | +10.68% | -3.59% | +1.55%* |

Annualized performance

| | 3 years | 5 years | inception* |
|--------------|---------|---------|------------|
| IC EUR share | -0.71% | +0.48% | +0.49% |
| Index | -1.34% | +0.37% | +0.47% |

Contact

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index = Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Bloomberg code: 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, 2022

Top 10 exposures

| ISSUER | SECTOR | COUPON | MATURITY | % |
|-------------------|--------------------|--------|------------|-------|
| VALEO SA | Automotive | 0.38% | 12/09/2022 | 1.47% |
| TELEFONICA | Wirelines | 2.88% | Perp | 1.46% |
| LEVI STRAUSS & CO | Retailers | 3.38% | 15/03/2027 | 1.25% |
| INTERTRUST GROUP | Consumer Services | 3.38% | 15/11/2025 | 1.22% |
| TELECOM ITALIA | Wirelines | 2.88% | 28/01/2026 | 1.12% |
| DARLING GLOBAL | Food and Beverage | 3.63% | 15/05/2026 | 1.08% |
| FAURECIA | Automotive | 3.75% | 15/06/2028 | 1.03% |
| ALTICE FRANCE SA | Wireless | 4.13% | 15/01/2029 | 1.02% |
| RENAULT SA | Automotive | 2.38% | 25/05/2026 | 0.97% |
| THYSSENKRUP | Div. Manufacturing | 2.88% | 22/02/2024 | 0.93% |

5 largest overexposures³

| ISSUER | SECTOR | OVER EXPOSURE |
|-------------------|----------------------------|---------------|
| TELEFONICA EU | Wirelines | 2.41% |
| DKT FINANCE A | Wirelines | 1.80% |
| LEVI STRAUSS & CO | Retailers | 1.11% |
| INTERTRUST GR | Consumer Cyclical Services | 1.07% |
| DARLING GLOBA | Food and Beverage | 0.93% |

5 largest underexposures³

| ISSUER | SECTOR | UNDER EXPOSURE |
|--------------------|-------------------------|----------------|
| NETFLIX INC | Media Entertainment | -1.47% |
| EDP | Electric | -0.99% |
| AUTOSTRAD | Transportation Services | -0.94% |
| REPSOL INTL | Integrated | -0.90% |
| BELLIS ACQUISITION | Supermarkets | -0.88% |

Risk indicators

| YEAR | VOLATILITY* | | TRACKING ERROR | INFO. RATIO. | BETA |
|-----------------|-------------|-------|----------------|--------------|------|
| | FUND | INDEX | | | |
| Since inception | 4.64% | 4.88% | 0.64% | 0.04 | 0.94 |
| YTD 2022 | 5.73% | 5.68% | 0.83% | -0.27 | 1.00 |
| 2021 | 1.36% | 1.31% | 0.28% | -1.21 | 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.

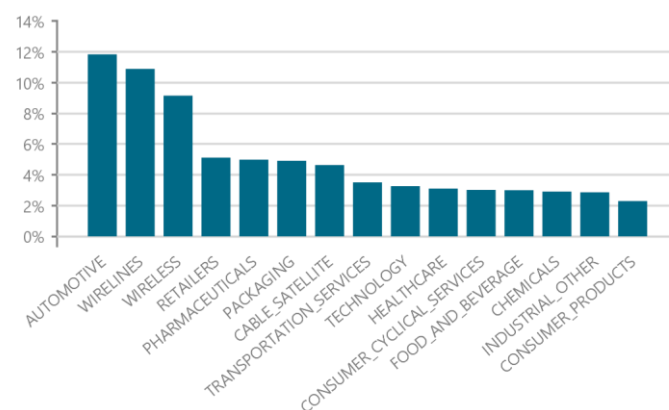
³% of the AuM

⁴Bloomberg sectors

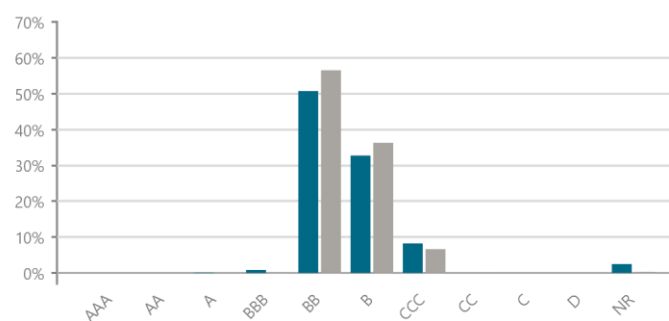
⁵Based on the worst rating from S&P and Moody's

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

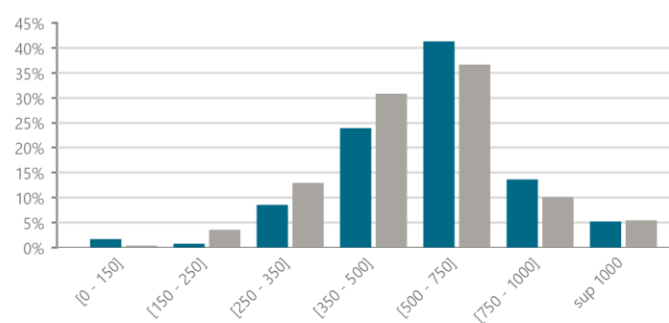
Top 15 sectors⁴



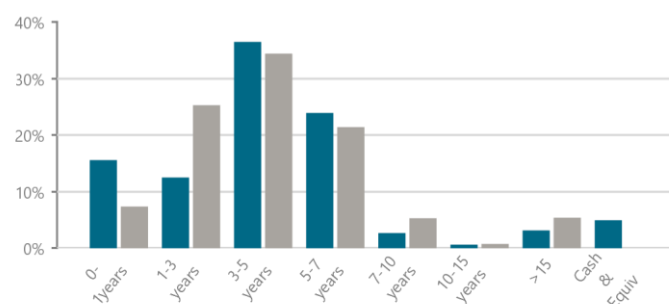
Breakdown by rating^{3,5}



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

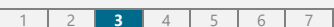
RECOMMENDED INVESTMENT HORIZON

3 years minimum

INDEX

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

0.67% 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 European High Yield market declined by -1.34% in August. The negative performance came about entirely because of the sell-off on sovereign rates. Determined to pursue the tightening of its monetary policy, the ECB sent German interest rates to their highest in June, while the average high-yield OAS tightened by 20 bps to 550 bps, representing a positive excess return of +1.51% for the asset class.

Market illiquidity remained high in August, and the primary market remained completely closed. As of end-August, the volume of new issues, close to EUR 20 billion, was split equally between acquisition financing and refinancing, far from the norm of 25%/75%. Few companies demonstrated an urgent need to refinance, as most had already taken steps to manage their maturities. Others, under less pressure, are taking advantage of bank financing (Valeo, Iliad). The current average yield is over 7%. Unless yields return quickly to less onerous levels, it is unlikely the primary market will soon reopen.

Default candidates are still relatively rare, and Moody's forecasts a limited increase in the default rate to 3.1% in June 2023, vs. 1.8% currently. Scandinavian Airlines was the most recent company to default, after its debt was restructured in July. Current spreads correspond to an implicit default rate of 6%, however, well above the increased level of defaults the rating agencies project.

High yield funds continued to experience net outflows in August, of EUR 300 million, bringing total net outflow since the start of the year to EUR 10.5 billion. The trend is not expected to reverse in the near term, given the way the coming winter is shaping up. While companies are still publishing favorable second-quarter results, with earnings increases, robust sales and exceptionally high liquidity, inflation is starting to put more pressure on margins. In this regard, the financial structure of companies in the Euro High Yield universe is particularly healthy and is not a cause for undue concern ahead of the recession the consensus expects in early 2023. The European Union quickly took into account the energy situation, in particular with regard to gas, and European inventories were increased significantly during the summer to over 80%. Cuts in Russian energy supplies have already been priced in, even if solutions still need to be found. Consumer demand is starting to soften, which might ultimately limit the energy crisis expected this winter and is also expected to deal a blow to small companies.

Fund manager's comment

The SCOR Europe High Yield fund declined by -1.24% in August (net of fees, dividends included, IC EUR share), outperforming its benchmark index by +10 bps.

The fund's beta remained close to 1.

Movement within the fund was limited, given the low liquidity and sluggish activity. On the performance side, the largest positive contribution came from the fund's significant underweighting in the Media sector, with Netflix significantly underperforming once again on long maturities. The second-largest relative positive contribution came from Consumer Cyclical, where the absence of exposure to Verisure for ESG reasons was advantageous to the fund. The company is part of the small group of issuers looking for solutions to refinance their 2023 maturities. Conversely, the fund's overweighting in Intertrust resulted in a positive contribution.

Among the most negative absolute performances, exposure to Casino cost the fund relative to the index, while the decision to stay clear of Atos resulted in a relative positive contribution.

Negative contributions came firstly from overweighting in the Packaging sector, one of those most hard hit by higher production costs, through unfavorable positioning on the yield curve. Secondly, overweighting in Telecoms sector corporate hybrids also cost the fund some performance.

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.