

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	-6.98%
YTD (Year to Date)	-14.29%

FUND SIZE

EUR 158.11m

NET ASSET VALUE PER UNIT

IC EUR share EUR 986.79

Financial data

NUMBER OF LINES/ISSUERS

273 / 195

NUMBER OF SECTORS¹

34

% MARKET EXPOSURE

93.65%

THEORETICAL BETA

1.07

AVERAGE RATING²

BB- (fund) / BB- (index)

MODIFIED DURATION

4.10 (fund) / 4.02 (index)

OPTION ADJUSTED SPREAD (OAS)

626bps (fund) / 607bps (index)

AVERAGE YIELD TO WORST

7.47% (fund) / 7.34% (index)

AVERAGE YIELD TO MATURITY

7.49% (fund) / 7.34% (index)

¹ Bloomberg sectors

² Based on the worst rating from S&P and Moody's

MORNINGSTAR CATEGORY

EUR High Yield Bonds



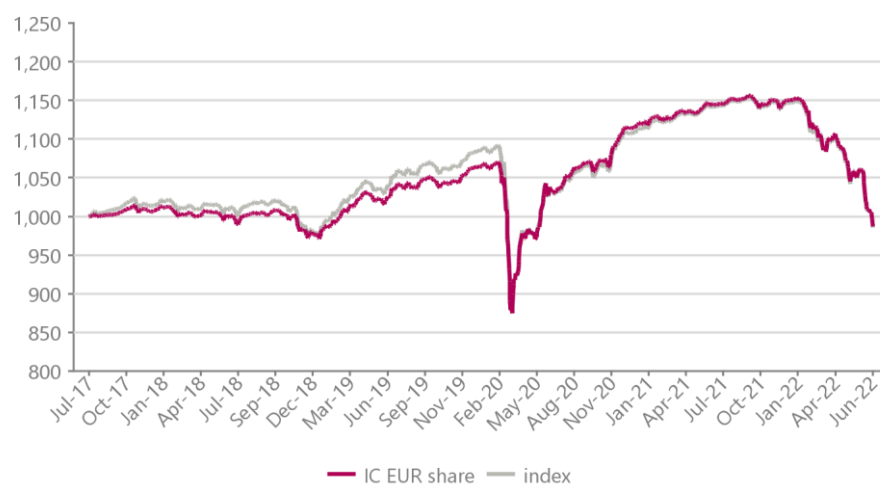
Investment strategy and fund's objective

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	-14.29%	-6.98%	-10.65%	-13.76%	-4.83%	-1.32%
Index	-14.13%	-6.85%	-10.55%	-13.68%	-6.45%	-1.44%

Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
IC EUR share	-14.29%	+3.17%	+4.93%	+8.91%	-3.25%	+0.93%*
Index	-14.13%	+3.51%	+2.33%	+10.68%	-3.59%	+1.55%*

Annualized performance

	3 years	5 years	inception*
IC EUR share	-1.63%	-	-0.27%
Index	-2.19%	-	-0.29%

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 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 – June 30, 2022

Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
TELEFONICA	Wirelines	2.88%	Perp	1.47%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	1.23%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.21%
TELECOM ITALIA	Wirelines	2.88%	28/01/2026	1.13%
DARLING GLOBAL	Food and Beverage	3.63%	15/05/2026	1.07%
FAURECIA	Automotive	3.75%	15/06/2028	1.01%
ALTICE FRANCE SA	Wireless	4.13%	15/01/2029	1.00%
SES SA	Cable Satellite	2.88%	Perp	0.98%
RENAULT SA	Automotive	2.38%	25/05/2026	0.98%
THYSSENKRUP	Diversified Manufact.	2.88%	22/02/2024	0.95%

5 largest overexposures³

ISSUER	SECTOR	OVER EXPOSURE
TELEFONICA	Wirelines	2.28%
DKT FINANCE	Wirelines	1.48%
LEVI STRAUSS & CO	Retailers	1.09%
INTERTRUST GROUP	Consumer Cyclical Services	1.06%
DARLING GLOBAL	Food and Beverage	0.92%

5 largest underexposures³

ISSUER	SECTOR	UNDER EXPOSURE
NETFLIX INC	Media Entertainment	-1.47%
EDP	Electric	-0.97%
AUTOSTRAD	Transportation Services	-0.96%
REPSOL INTL	Integrated	-0.91%
BELLIS ACQUISITION	Supermarkets	-0.89%

Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.60%	4.84%	0.64%	0.04	0.93
YTD 2022	5.50%	5.44%	0.83%	-0.34	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.

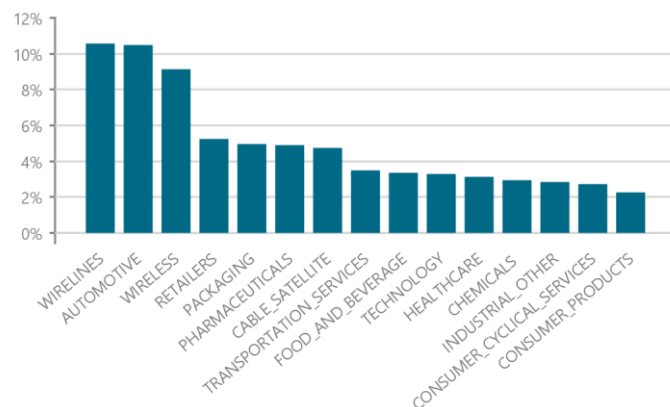
³% of the AuM

⁴Bloomberg sectors

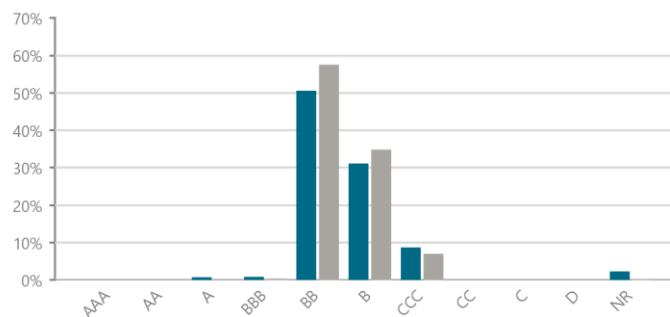
⁵Based on the worst rating from S&P and Moody's

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

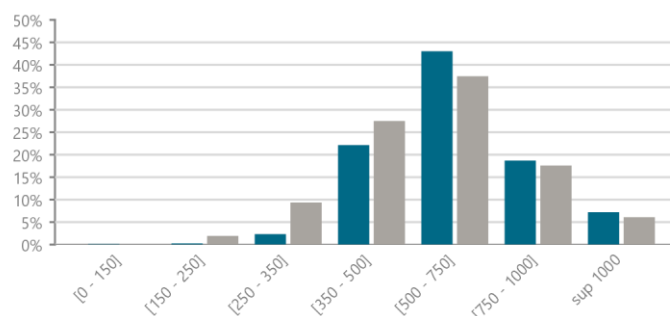
Top 15 sectors⁴



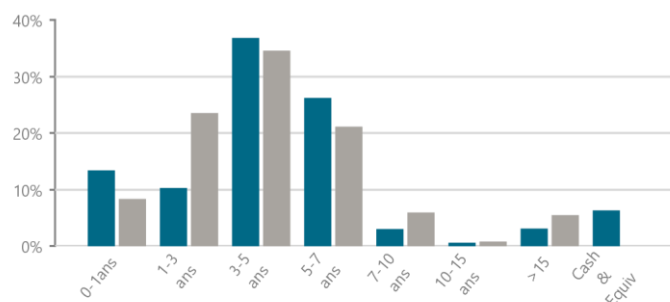
Breakdown by rating^{3,5}



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

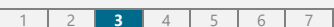
RECOMMENDED INVESTMENT HORIZON

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 delivered a negative performance of -6.85% in June 2022. The widening in spreads gained pace as fears grew the ECB's monetary tightening would trigger stagflation. The average OAS on the Euro High Yield market widened by 179bps to 647bps, representing an excess return of -6.31%. Performance over the second quarter came to negative -10.55%. The worst historical performance of the High Yield Euro for a first half was -14.35% (-9.7% in excess return). The hierarchy between asset classes was restored in June and investment grade outperformed in the first half, at -12.09%.

Redemptions in High Yield funds continued, totaling more than EUR 4 billion in the second quarter and close to EUR 9 billion since the beginning of 2022. The primary market, which is still closed, has recorded EUR 20 billion in gross issues since the start of the year, of which EUR 6.6 billion in the second quarter. If we combine this with the maturities and the coupons paid, the net amount of issues is negative. June's sole issue was linked to Manuchar's (chemicals) LBO by sponsor Lone Star with an 11% yield.

From a rating perspective, CCC-rated issues corrected more sharply in June 2022 as the markets accelerated downwards. Performance was again rating-driven in the second quarter, with CCC-rated issues down -13.61%, while the B and BB-rated segments lost -11.43% and -9.95% respectively. That said, the BB segment includes most of the High Yield hybrid corporates, which again underperformed significantly, delivering a negative return of -11.43% in June, or -15.40% over the second quarter. In addition to the lack of market liquidity and growing extension risk causing yield curves to flatten, this was attributable to the sharp correction in real estate hybrids. Aside from the macro environment, the sector has been affected by growing wariness about Scandinavian and German issues as a result of contagion from Adler and SBB.

In terms of individual issuers, Pro-Gest, a packager that posted very healthy results to end-April 2022, is one of the few to have returned a positive performance in June. Of the largest underperformances, Takko (down 25%), which reported another still weak sequential improvement in its results to end-April, is a concern given the impending maturity of its bonds and the growing difficulty of raising refinancing. Likewise, Mahle (down -18%), an auto parts maker manufacturing thermal engines, has clearly warned the year is likely to be a tough one for EBITDA given the general inflation in its production costs.

The performance of the various sectors has been relatively consistent, excluding underperformance by the media sector caused by its long average duration. As a result, the proportion of so-called distressed debt (priced below 80% of par) soared in June to 27%, while the percentage of "actual distressed debt" was again low. These levels reflect an implied default rate well above recently increased expectations of 2.5% according to Standard & Poor's at year-end 2022, representing default by 20 corporates.

Fund manager's comment

The SCOR Europe Euro High fund returned a negative performance of -6.98% in June 2022, 13bps below the benchmark index. That represents a negative performance of -10.65% in the second quarter, underperforming the benchmark by 10bps).

The fund's beta, which was just above 1, provided a negative relative contribution.

Its allocation per rating is positive, while its overexposure to corporate hybrid debt again cost it relative to the benchmark index. From a selection perspective, the biggest negative contributions came from the fund's substantial overexposure to Dometic/Faurecia and Ceconomy. That was more than offset by underexposure to Netflix and Ziggo, which have long maturities, and Upfield (down -27%), which has also been affected by higher costs.

We participated in the Huhtamäki 2027 issue, which was announced in May 2022 and priced in early June. We were active at the beginning of the month before the sell-off gained pace, selling bonds that were still trading at high prices, such as the Trivium 2026, Elis 2027 and CMA CGM 2026. We did not participate in the Manuchar issue given its fundamentals amid general market wariness.

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.