

## Key figures

### PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	+0.01%
YTD (Year to Date)	-4.08%

### FUND SIZE

EUR 176.95m

### NET ASSET VALUE PER UNIT

IC EUR share EUR 1,104.35

## Financial data

### NUMBER OF LINES/ISSUERS

275 / 196

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

34

### % MARKET EXPOSURE

95.53%

### THEORETICAL BETA

1.03

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

BB- (fund) / BB- (index)

### MODIFIED DURATION

3.46 (fund) / 3.64 (index)

### OPTION ADJUSTED SPREAD (OAS)

439bps (fund) / 414bps (index)

### AVERAGE YIELD TO WORST

4.74% (fund) / 4.49% (index)

### AVERAGE YIELD TO MATURITY

4.78% (fund) / 4.49% (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



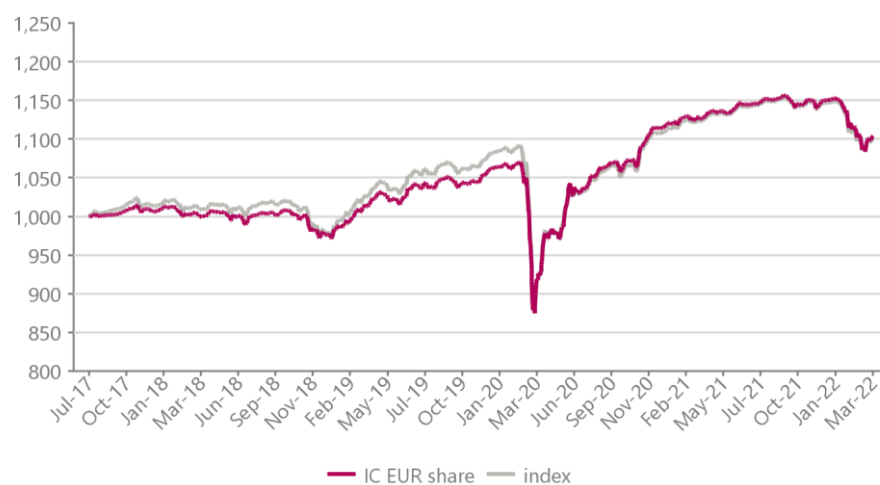
## Investment strategy and fund's objective

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	-4.08%	+0.01%	-4.08%	-2.21%	+8.61%	+10.43%
Index	-4.00%	+0.21%	-4.00%	-2.19%	+7.00%	+10.18%

## Calendar performance

	YTD 2022	2021	2020	2019	2018	2017
IC EUR share	-4.08%	+3.17%	+4.93%	+8.91%	-3.25%	+0.93%*
Index	-4.00%	+3.51%	+2.33%	+10.68%	-3.59%	+1.55%*

## Annualized performance

	3 years	5 years	inception*
IC EUR share	+2.78%	-	+2.14%
Index	+2.28%	-	+2.09%

## Contact

### SALES TEAM

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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 – March 31, 2022

## Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
TELEFONICA	Wirelines	2.88%	Perp	1.51%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	1.19%
INTERTRUST GROUP	Consumer Services	3.38%	15/11/2025	1.15%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.14%
FAURECIA	Automotive	3.75%	15/06/2028	1.10%
TELECOM ITALIA	Wirelines	2.88%	28/01/2026	1.07%
ALTICE FRANCE SA	Wireless	4.13%	15/01/2029	1.06%
DARLING GLOBAL	Food and Beverage	3.63%	15/05/2026	1.04%
RENAULT SA	Automotive	2.38%	25/05/2026	0.98%
SES SA	Cable Satellite	2.88%	Perp	0.96%

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

ISSUER	SECTOR	OVER EXPOSURE
TELEFONICA	Wirelines	2.36%
LEVI STRAUSS & CO	Retailers	1.07%
INTERTRUST GROUP	Consumer Services	1.01%
ALTICE FRANCE	Wireless	0.98%
BAYER AG	Pharmaceuticals	0.91%

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

ISSUER	SECTOR	UNDER EXPOSURE
NETFLIX INC	Media Entertainment	-1.47%
AUTOSTRADE	Transportation Services	-1.08%
EDP	Electric	-0.95%
BELLIS ACQUISITION	Supermarkets	-0.94%
REPSOL INTL	Integrated	-0.88%

## Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.46%	4.73%	0.62%	0.08	0.92
YTD 2022	4.79%	4.78%	0.77%	-0.38	0.97
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.

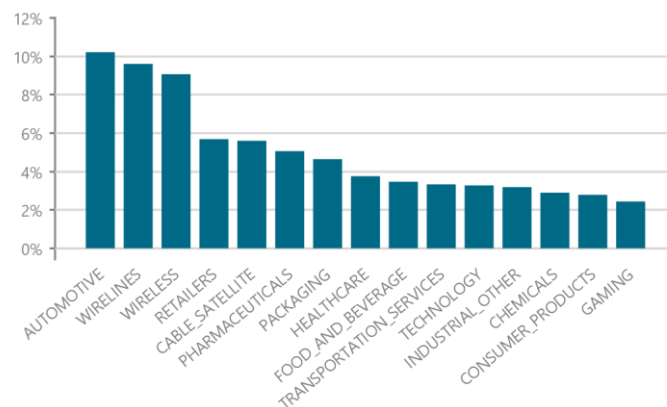
<sup>3</sup>% of the AuM

<sup>4</sup>Bloomberg sectors

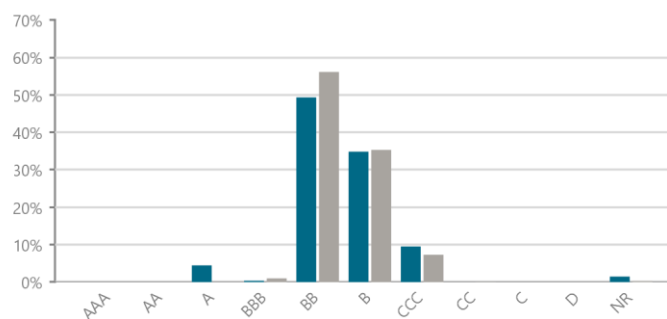
<sup>5</sup>Based on the worst rating from S&P and Moody's

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

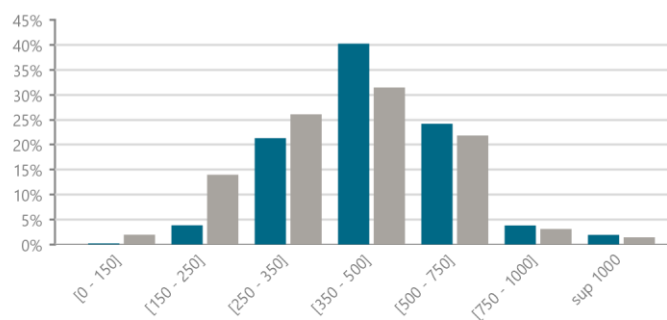
## Top 15 sectors<sup>4</sup>



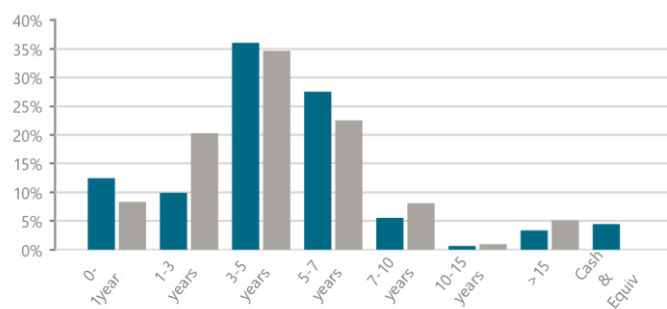
## Breakdown by rating<sup>3,5</sup>



## 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 (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 posted positive performance of +0.21% in March 2022, but was down -4.00% in the first quarter of 2022. The market finished the first quarter on a positive note, following mention of a cease-fire between Ukraine and Russia in early March. Spreads retraced more than half the increase from their widest point. The average OAS vs sovereign debt thus narrowed by 100 bps after the peak to 386 bps at end-March, representing an increase of 85 bps during the first quarter. As a result, the credit component posted a negative performance of -1.45%, with the sudden rise in interest rates during the period accounting for nearly two-thirds thereof. The most recent eurozone and US inflation figures took central banks by surprise and prompted them to tighten the monetary screws, which accentuated the sell-off on interest rates.

The primary market remained listless until end-March. Only EUR 12 billion have been issued since the start of the year, down -65% compared with the year-earlier period, and they were concentrated in January. Crossover issuers Cellnex and TVO constituted the rare high-yield issues in March. Uncharacteristically, they issued short-maturity bonds. The list of expected issues is growing. The lack of opportunity on new issues is continuing to support the high-yield market, and there were some inflows into funds at the end of March. Cash remained substantial, however, as funds sought to avoid forced sales in a relatively illiquid market. Outflows amounted to EUR 4 billion during the first quarter.

The default rate in Europe increased for the first time in 10 months to 0.7%, according to JP Morgan, and related only to small notionals, with a recovery rate still well in excess of the long-term average. Even though spreads widened until early March, the proportion of distressed debt and the dispersion of spreads within the high-yield category remained low. This is because rising interest rates were the principal contributor to negative performance, and the technical factors supporting the market prompted investors to cap yields, causing spreads to narrow during the month. The rise in raw material and energy prices and the shortages expected as a result of new lockdowns in China sparked fears of a slowdown in economic activity, but did not seem to have had much impact on spreads, except for the airline and automotive sectors. These again performed negatively in March. As these risks come into focus, they are starting to have an impact on the most directly-affected sectors, such as packaging. Two packaging industry issuers have had to temporarily close certain production facilities to avoid operating at a loss. Nevertheless, fourth-quarter earnings publications were mostly positive, particularly for the companies least affected by the market tension (e.g. gaming and luxury retail).

## Fund manager's comment

The SCOR Europe High Yield fund fund posted a positive performance of +0.01% in March 2022, lagging -0.20% behind its index, and was down -4.02% in the first quarter (-0.08% behind the index).

The fund's underweighting on B rated issued penalized the fund on a relative basis. B rated issues outperformed BBs and CCCs and are now even dearer on a relative basis, which backs up our positioning.

The fund is overweight on certain packaging industry issuers that underperformed significantly because certain production facilities were temporarily halted. This explained most of the fund's underperformance vs. the index. Conversely, the fund benefited from its overweighting in the gaming sector, which is performing well in the current context.

The fund also benefited from the recovery in corporate hybrids, via its overweighting on that asset class and in particular on EDF and Telefonica. The best performance among hybrids and the strongest relative contribution came from two new Bayer issues in which the fund invested. They were issued at a significant discount against the secondary yield curve.

On a sectoral basis, with no fossil fuel and tobacco companies, the fund was not exposed to Wintershall, involved in the NordStream 2 project, to UGI, an oil and gas transporter, nor to BAT hybrids, which were among the most negative performers during the first quarter.

The fund's beta decreased during the month and moved closer to 1. The rare high-yield issues in March included the new Cellnex issue, in which the fund invested because of the level at which it was issued and the short-term maturity. The fund did not take part in TVO, however, which was issued with no discount. The fund lightened its holdings in Fnac 2026 and Golden Goose 2027, which are in cyclical consumer goods, and in Loxam senior 2024, which is at the top of the cycle and might be impacted by future raw material shortages. The fund sold off its holding in Playtech 2026, which is involved in Ukraine. The reduction of the fund's beta will continue, in particular by reducing its holding of issues that are the most heavily impacted by rising raw material prices.

## 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.