GENERALI INVESTMENTS SICAV

CENTRAL & EASTERN EUROPEAN EQUITY - AY

31 August 2021

Marketing communication

GENERALI INVESTMENTS

KEY DATA

MANAGEMENT COMPANY	Generali Investments Luxembourg S.A.
INVESTMENT MANAGER	Generali Investments Partners S.p.A Società di gestione del risparmio
FUND MANAGER	Andrea SCOTTI
BENCHMARK	50% MSCI POLAND (NR) + 15% MSCI CZECH REPUBLIC (NR) + 10% MSCI AUSTRIA (NR) + 10% MSCI HUNGARY (NR) + 10% MSCI ROMANIA (NR) + 5% BOFA ML EURO GVT 0-1 Y (RI)
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	02/04/2002
SHARE CLASS LAUNCH DATE	02/04/2002
FIRST NAV DATE AFTER DORMANT PERIOD	21/11/2018
CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas Securities Services Luxembourg
ISIN	LU0145469440
BLOOMBERG CODE	GENEQAY LX

VALUATION

AUM	141.13 M EUR
NAV PER SHARE	109.25 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	109.25 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	66.11 EUR

FEES

SUBSCRIPTION FEE	max. 5%
MANAGEMENT FEE	0.5000%
CONVERSION FEE	max. 5%
REDEMPTION FEE	max. 1%
PERFORMANCE FEE	n.a.
ONGOING CHARGES	0.7100%

CATEGORY AND RISK PROFILE

CATEGORY	Equity

1 2 3 4 5 **6** 7

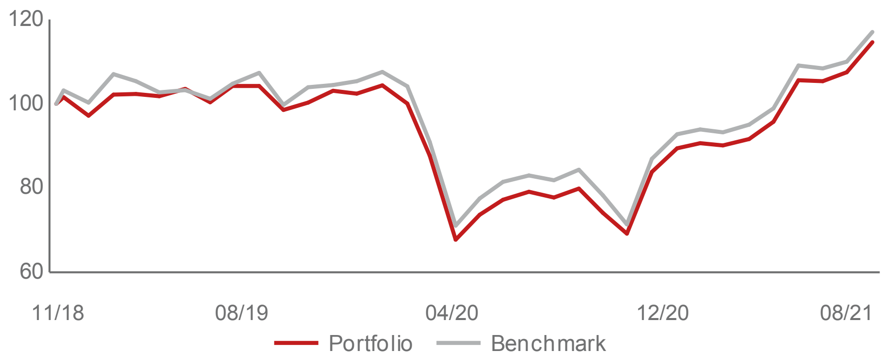
Lower risk — Potentially lower rewards; Higher risk — Potentially higher rewards

The risk and reward category shown is not guaranteed to remain unchanged and the categorisation of the sub fund may shift over time. For more information about risk, please see the KIID and Prospectus.

INVESTMENT OBJECTIVE AND POLICY

The objective of the Fund is to provide long-term capital appreciation and to outperform its Benchmark. The Fund shall essentially invest in equities and other participation rights of companies incorporated or having their registered office in Central and Eastern Europe, listed on the stock exchanges of Central and Eastern Europe Countries (CEEC). The Fund may also invest on an ancillary basis in equities, in participation rights and in equity-linked securities of European issuers. The Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes.

PERFORMANCE ANALYSIS AT 31 AUGUST 2021



	1M	YTD	1YR
Portfolio	6.59	28.05	43.29
Benchmark	6.41	26.05	38.52
Excess return	0.18	2.01	4.77

	SI	SI P.A.	2020	2019
Portfolio	14.62	5.03	-14.26	7.42
Benchmark	17.01	5.82	-13.72	7.26
Excess return	-2.39	-0.78	-0.54	0.15

	08/21-08/20	08/20-08/19
Portfolio	43.29	-18.85
Benchmark	38.52	-15.34
Excess return	4.77	-3.51

KEY FEATURES

- Active management in a clearly defined investment process
- High level of flexibility to select the most attractive equity opportunities
- Invests in companies listed in Poland, Czech Republic, Hungary, Romania, Baltic States, Turkey, Croatia, Slovenia and Austria

FUND MANAGER'S COMMENTS

Market review

The Central & Eastern European Equity fund increased by more than 6 % last month. Despite inflation surprises the risk-free rates remained stable/decreasing and together with continuing economic recovery built a positive environment mainly for growth stocks. Further interest hikes in CEE region are expected (Czechia, Hungary) and Poland should join and policy rate in coming months. We witnessed a return of uptrend in the financial sector as delta variant still hasn´t hit the CEE countries and inflation numbers support hawkish interest rate outlook.

Progress of vaccine roll-out in developed countries helped to moderate pandemic situation, but delta variant triggers another spike not only in Asia, but also in some WE countries having less severe cases due to vaccinated population. Despite some deterioration on the European periphery, CEE countries are still green coloured and stabilized in terms of new cases and enjoyed continuing re-openings. Globally the pandemic is far from its end, but some stabilization is visible at least for the time being.

Equity market rally remains well supported by revenue and corporate earnings growth. The central banks perception of inflation as transitory and spreading of delta covid variant shifted the investors focus back on technological stocks, but enhancing job reports might quickly change the market view. Emerging markets have partially recovered, however still struggling from new covid waves and Chinese measures related to technologies, education and real estate.

In August, equity markets continued to be supported by strong earnings results supporting current valuation. In CEE countries, strong earnings season combined with specific structure tilted to cyclicals sectors provide an interesting mix for continuing recovery. Among CEE countries, the Hungarian benchmark increased by 10.7 % followed by Czech (8.4 %). On the other side the worst performing Romanian benchmark still delivered solid one single digit growth (4.8 %).

Portfolio activity

The equity allocation remains overweight, the fund is fully invested.

Outlook

CEE Equity markets and the valuations should be driven by the post-pandemic economic recovery combined with risk moderation. The polish financials will be focused on the Supreme Court´s sessions concerning CHF loans, still no final decision. The markets noted solid earnings beats in large caps, therefore an improved outlook should trigger a wave of upward revisions and support the markets and fundamentals. The short-term equity outlook remains sensitive on new measures and progress in vaccination. Continuing support from both monetary and fiscal policies should secure positive environment on global markets.

HOLDINGS & TRANSACTIONS

TOP 10 EQUITY

HOLDING	SECTOR	GROSS %
CEZ AS (CEZ CK)	Utilities	7.89%
PKO BANK POLSKI SA (PKO PW)	Financials	6.52%
OTP BANK PLC (OTP HB)	Financials	6.13%
POWSZECHNY ZAKLAD UBEZPIECZE (PZU	Financials	5.33%
KOMERCNI BANKA AS (KOMB CK)	Financials	4.57%
ALLEGRO.EU SA (ALE PW)	Not Available	4.37%
BANCA TRANSILVANIA SA (TLV RE)	Financials	4.21%
BANK PEKAO SA (PEO PW)	Financials	3.86%
MONETA MONEY BANK AS (MONET CK)	Financials	3.69%
KGHM POLSKA MIEDZ SA (KGH PW)	Materials	3.69%
Total Top 10 (%)		**50.26%**
Total Top 20 (%)		**77.08%**

TOP 3 SALES OVER THE LAST MONTH

No Sales for this period

TOP 3 PURCHASES OVER THE LAST MONTH

No Purchases for this period

RATIOS

PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	SI
Standard Deviation Ptf	19.32	23.92
Standard Deviation Bmk	19.74	24.39
Tracking Error	2.06	3.93
Alpha	0.08	-0.01
Beta	0.97	0.97
R-squared	0.99	0.97
Information Ratio	2.29	-0.20
Sharpe Ratio	1.76	0.20
Treynor Ratio	41.10	4.37
Sortino Ratio	3.46	0.26

NUMBER OF STOCKS

	FUND	BENCHMARK
Number of Positions (ex derivatives)	47	66
Out of Benchmark positions	19	-
Active Share	13.22	-
Number of derivative positions	-	-
Total number of positions	47	66

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-36.8
Peak to trough drawdown (dates)	Jul 19 - Mar 20
Length (in days)	245
Recovery Period (in days)	441
Worst Month	March 2020
Lowest Return	-22.6
Best Month	November 2020
Highest Return	21.1

FINANCIAL RATIO - EQUITY

	FUND	BENCHMARK
P/Book value	-	1.14
P/E Ratio (current)	-	10.27
Dividend Yield (%) (current)	-	1.96
Average Market Cap (in M€)	2,572	3,541
Median Market Cap (in M€)	728	1,346

GENERALI INVESTMENTS

BREAKDOWNS

Fund · Benchmark · Relative

COUNTRY	NET (Fund)	NET (Benchmark)	RELATIVE
Poland	44.5%	44.5%	-0.1%
Czech Republic	16.5%	15.4%	1.1%
Austria	11.0%	10.2%	0.7%
Hungary	10.7%	10.4%	0.4%
Romania	9.6%	9.8%	-0.2%
Luxembourg	4.7%	5.2%	-0.5%
Slovenia	0.4%	0.0%	0.4%
Others	0.4%	4.4%	-4.1%
Cash	2.3%		

SECTOR	NET (Fund)	NET (Benchmark)	RELATIVE
Financials	43.7%	43.2%	0.5%
Energy	14.0%	14.1%	-0.1%
Utilities	12.1%	12.1%	0.0%
Communication Services	6.7%	5.7%	1.0%
Materials	5.6%	6.6%	-1.0%
Consumer Discretionary	3.7%	3.2%	0.6%
Others	7.5%	9.9%	-2.4%
Not Available	4.4%	5.2%	-0.8%
Cash	2.3%		

CURRENCY	NET (Fund)	NET (Benchmark)	RELATIVE
PLN	49.4%	49.7%	-0.3%
CZK	17.1%	15.4%	1.7%
EUR	12.6%	14.7%	-2.1%
HUF	10.8%	10.4%	0.5%
RON	9.6%	9.8%	-0.2%
HRK	0.4%		0.4%
TRY	0.0%		0.0%
Others	0.0%		0.0%

MARKET CAP	NET (Fund)	NET (Benchmark)	RELATIVE
Under 5 bn	86.4%	85.3%	1.1%
5-30 bn	9.8%	8.0%	1.8%
Over 30 bn	1.6%	2.1%	-0.6%
No Market Cap		4.6%	-4.6%
Cash	2.3%		

DEALING DETAILS

CUT OFF TIME	T at 1 pm (T being the dealing day)
SETTLEMENT	T+3
VALUATION	Daily
NAV CALCULATION	Day +1
NAV PUBLICATION	Day +1

Important Information