

## KEY DATA

<b>MANAGEMENT COMPANY</b>	Generali Investments Luxembourg S.A.
<b>INVESTMENT MANAGER</b>	Generali Investments Partners S.p.A Società di gestione del risparmio
<b>FUND MANAGER</b>	Stefano PERIN
<b>FUND TYPE</b>	Sicav
<b>DOMICILE</b>	Luxembourg
<b>SUB-FUND LAUNCH DATE</b>	18/07/2003
<b>SHARE CLASS LAUNCH DATE</b>	08/05/2005
<b>FIRST NAV DATE AFTER DORMANT PERIOD</b>	22/07/2016
<b>CURRENCY</b>	Euro
<b>CUSTODIAN BANK</b>	BNPP LUX CUSTOD
<b>ISIN</b>	LU0169273686
<b>BLOOMBERG CODE</b>	GENHYAX LX
<b>VALUATION</b>	
<b>AUM</b>	41.01 M EUR
<b>NAV PER SHARE</b>	0.00 EUR
<b>HIGHEST NAV OVER THE LAST 12 MONTHS</b>	104.46 EUR
<b>LOWEST NAV OVER THE LAST 12 MONTHS</b>	0.00 EUR
<b>FEES</b>	
<b>SUBSCRIPTION FEE</b>	max. 5%
<b>MANAGEMENT FEE</b>	0.4000%
<b>CONVERSION FEE</b>	max. 5%
<b>REDEMPTION FEE</b>	max. 1%
<b>PERFORMANCE FEE</b>	n.a.
<b>TER</b>	0.55%

## CATEGORY AND RISK PROFILE

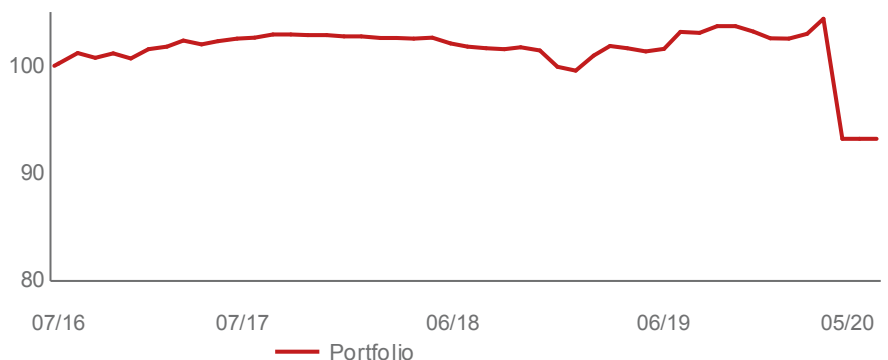
CATEGORY		Fixed Income				
1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards

The risk and reward category shown is not guaranteed to remain unchanged and the categorisation of the 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 preserve the invested capital and maximize the total investment return through an exposure to Euro denominated high yield debt securities. The Fund shall mainly invest in Euro denominated high yield debt and debt-related securities of any kind. The Investment Manager may temporarily increase the credit quality of the portfolio to counteract an increase in market volatility when it believes such conditions require defensive actions. Investments in contingent convertible bonds ("CoCos") are allowed up to 10% of the Fund's net assets. The Fund may hold equities following the conversion up to 5% of its net asset. The Fund may also invest in bank deposits, Money Market Instruments, high yield debt and debt-related securities denominated in non-Euro currencies. The Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes.

## PERFORMANCE ANALYSIS AT 29 MAY 2020



	1M	YTD	1YR	3YR	3YR P.A.
Portfolio	-	-9.04	-8.19	-9.05	-3.12

	SI	SI P.A.	2019	2018	2017
Portfolio	-6.75	-1.80	2.97	-3.08	1.18

	05/20-05/19	05/19-05/18	05/18-05/17
Portfolio	-8.19	-0.51	-0.43

## KEY FEATURES

- A transparent (UCITS IV), dynamic and flexible investment solution
- Consistent risk controlled returns across a market cycle with a lower volatility than traditional funds.
- Exposure to non-European issues but denominated in Euro
- Flexible unconstrained approach
- Geographical portfolio diversification to optimize asset allocation
- Target risk level: 5% VaR across the market cycle
- The Fund combines at the same time a high conviction approach (through stock selection and single stock CDS) and overlay strategies against market risk (macroeconomic, correlation between asset classes, etc.)

Past performance is not a guide to future performance and may be misleading. The performances are shown net of fees and expenses over the relevant period. All performance figures reflect the reinvestment of dividends and do not take into account the commissions and costs incurred on the issue and redemption of shares/parts. Please see the important information at the end of this document. Investing in the fund/sub-fund involves risks including the possible loss of capital. Please read the KIIDs and the prospectus to find out about these risks. Legal information concerning the fund/sub-fund are available on the website: [www.generali-investment.com](http://www.generali-investment.com). The benchmark was changed on January 30, 2018. Previously, the benchmark was: 35% EONIA net coupons reinvested / 50% JPM EMU all maturity net coupons reinvested / 15% MSCI World (EUR) net dividends reinvested since February 2013.

## Fund Manager's Comments

### Fund Activity

May was a story of 2 halves. First half market entered a lateral phase and remained compressed into a small range mostly on the back of weakness induced by rhetoric between US and China picking up. Cyclical suffered the most. Other bonds remained relatively bifurcated with investors chasing the same names higher or lower. Anyway the sensation was that fear concentrated more on specific names and sectors rather than on the overall market like in March and technical in a more constructive spot. In the second half the positive headlines from the fiscal side created a positive loop for risky assets and Total Return was close to +3% with valuations compressing by more than 70 bps vs Govies. Excess return was even larger at +3.5% vs same maturity Govies. New casualties added up to the count of non-performing issuers with the German retailer Takko deciding not to pay a coupon and Hertz filing for bankruptcy protection in US

US High Yield outperformed Europe in nominal terms by around 1.5 percentage point. Spread tightening was around 100 bps.

All risky bets down in the credit spectrum were terminated along the month. Portfolio was migrated towards a Crossover-like risk profile towards month end with main bulk of exposure being now on corporate BBs, corporate hybrids and banks Lt2. Residual overlays were taken off upon volatility hiccups around mid-month. Short credit volatility trades opened between March and April were booked in profit. All non-EUR exposure was closed and cash repatriated hence portfolio is virtually without FX risk.

### Outlook

With fundamental data mixed at best we have the vast majority of the market which have already rallied back massively from the lows seen in March. At the same time idiosyncratic distressed situations are constantly brewing. Technicals are currently strong with investors receiving inflows, cash is piling up without being invested as primary market is not existent at the moment. Given the overall context, relying too much on technical while sitting on tight valuations is somewhat dangerous. The main underestimated risk is probably the China/US relationship and getting closer to US elections in the second part of the year this is something which has to be closely monitored.

## HOLDINGS & TRANSACTIONS

### TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
BOTS 0 06/12/20	Sovereigns	BBB-	14.15%
HELLENIC T-BILL 0 10/02/20	Sovereigns	BB-	9.74%
BOTS 0 08/14/20	Sovereigns	BBB-	8.54%
HELLENIC T-BILL 0 10/30/20	Sovereigns	BB-	4.87%
BARCLAYS BK PLC 4.75 PERP	Financials	BB	3.20%
TELEFONICA EUROP PERP	Communication Services	BB+	2.47%
TEVA PHARM FNC 4.5 03/01/25	Health Care	BB	2.25%
SPIE SA 3.125 03/22/24	Industrials	B+	1.94%
GRIFOLS SA 3.2 05/01/25	Health Care	B	1.85%
ACCOR PERP	Consumer Discretionary	BB	1.83%
<b>Total Top 10 (%)</b>			<b>50.83%</b>
<b>Total Top 20 (%)</b>			<b>64.56%</b>

### TOP 3 SALES OVER THE LAST MONTH

US TREASURY N/B 1.5 02/15/30
BOTS 0 05/14/20
PRESTIGE BIDCO 6.25 12/15/23

### TOP 3 PURCHASES OVER THE LAST MONTH

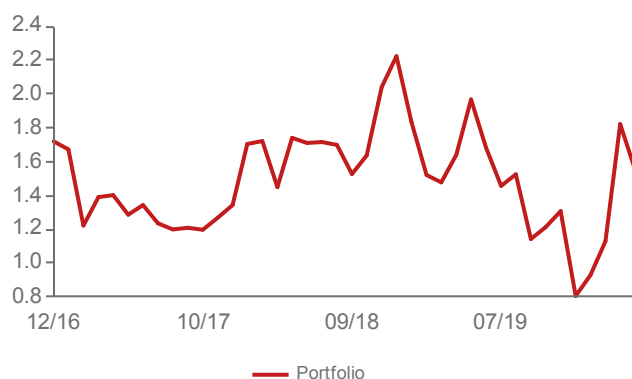
BOTS 0 06/12/20
BOTS 0 08/14/20
BOTS 0 05/14/20

## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	SI
Standard Deviation Ptf	7.20	4.36	3.90
Sharpe Ratio	-1.14	-0.65	-0.38
Sortino Ratio	-1.27	-0.74	-0.43

### MODIFIED DURATION EVOLUTION



### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-10.6
Peak to trough drawdown (dates)	Feb 20 - Mar 20
Length (in days)	28
Recovery Period (in days)	0
Worst Month	March 2020
Lowest Return	-10.6
Best Month	June 2019
Highest Return	1.6

### FINANCIAL RATIO - FIXED INCOME

	FUND
Z-Spread	340.90
DTS* (Duration Times Spread)	1,054.51
Average Rating (2nd best)	BB
Modified Duration	1.55
Effective Duration	1.35
Average Time to Maturity	0.58
Yield to Maturity	4.40
Current Yield	0.73
Average Coupon	0.68

## BREAKDOWNS

■ Fund

COUNTRY	NET	RELATIVE
Italy	26.4%	
Greece	14.6%	
France	14.5%	
Netherlands	12.1%	
United Kingdom	10.4%	
United States	6.7%	
Spain	2.8%	
Others	11.7%	
Cash	0.7%	

RATINGS (2ND BEST)		NET	RELATIVE
BBB	24.9%	<div></div>	
BB	48.7%	<div></div>	
B	14.3%	<div></div>	
CCC	0.8%		
Not Available	10.7%	<div></div>	
Cash	0.7%		

SECTOR	NET	RELATIVE	
Sovereigns	37.3%	<div><div></div></div>	
Financials	13.6%	<div><div></div></div>	
Communication Services	10.5%	<div><div></div></div>	
Funds	8.1%	<div><div></div></div>	
Health Care	6.5%	<div><div></div></div>	
Consumer Discretionary	5.2%	<div><div></div></div>	
Industrials	5.1%	<div><div></div></div>	
Others	13.1%	<div><div></div></div>	
Cash	0.7%	<div><div></div></div>	

MATURITY	NET	RELATIVE
0-1Y	49.1%	
1-3Y	13.8%	
3-5Y	20.1%	
5-10Y	5.7%	
Not Available	10.7%	
Cash	0.7%	

**DEALING DETAILS**

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

**Important Information**

The sub-fund is part of Generali Investments SICAV (an investment company qualifying as a "société d'investissement à capital variable" with multiple sub-funds under the laws of the Grand Duchy of Luxembourg) managed by Generali Investments Luxembourg S.A. who appointed Generali Investments Partners S.p.A. Società di gestione del risparmio as investment manager. The information contained in this document is only for general information on products and services provided by Generali Investments Partners S.p.A. Società di gestione del risparmio. It shall under no circumstance constitute an offer, recommendation or solicitation to subscribe units/shares of undertakings for collective investment in transferable securities or application for an offer of investments services. It is not linked to or it is not intended to be the foundation of any contract or commitment. It shall not be considered as an explicit or implicit recommendation of investment strategy or as investment advice. Before subscribing an offer of investment services, each potential client shall be given every document provided by the regulations in force from time to time, documents to be carefully read by the client before making any investment choice. Generali Investments Partners S.p.A. Società di gestione del risparmio, periodically updating the contents of this document, relieves itself from any responsibility concerning mistakes or omissions and shall not be considered responsible in case of possible damages or losses related to the improper use of the information herein provided. Past performance is not a guarantee of future performance and the sub-fund presents a risk of loss of capital. No assurance is released with regard to the approximate correspondence of the future performances with the ones above mentioned. It is recommended to look over the regulation, available on our website [www.generali-investments.com](http://www.generali-investments.com). The client shall carefully read the KIID, which must be delivered before subscribing the investment, and the prospectus which are available on our website ([www.generali-investments.com](http://www.generali-investments.com)), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website ([www.generali-investments.lu](http://www.generali-investments.lu)), and by distributors. Generali Investments is a commercial brand of Generali Investments Partners S.p.A. Società di gestione del risparmio, Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, Generali Investments Luxembourg S.A. and Generali Investments Holding S.p.A.. Generali Investments is part of the Generali Group which was established in 1831 in Trieste as Assicurazioni Generali Austro-Italiche.

Please see the important information at the end of this document. Investing in the fund/sub-fund involves risks including the possible loss of capital. Please read the KIIDs and the prospectus to find out about these risks. Legal information concerning the fund/sub-fund are available on the website: [www.generali-investment.com](http://www.generali-investment.com). Certain information in this publication has been obtained from sources outside of Generali Investments Partners S.p.A. Società di gestione del risparmio. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof.