

# GENERALI INVESTMENTS SICAV

## SUSTAINABLE WORLD EQUITY - AY

### 31 August 2021

Marketing communication



#### 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>                        | Andrea SCOTTI                                                         |
| <b>BENCHMARK</b>                           | 100% MSCI WORLD (NR)                                                  |
| <b>FUND TYPE</b>                           | Sicav                                                                 |
| <b>DOMICILE</b>                            | Luxembourg                                                            |
| <b>SUB-FUND LAUNCH DATE</b>                | 26/07/2006                                                            |
| <b>SHARE CLASS LAUNCH DATE</b>             | 19/06/2007                                                            |
| <b>FIRST NAV DATE AFTER DORMANT PERIOD</b> | 17/08/2020                                                            |
| <b>CURRENCY</b>                            | Euro                                                                  |
| <b>CUSTODIAN BANK</b>                      | BNP Paribas Securities Services Luxembourg                            |
| <b>ISIN</b>                                | LU0260154215                                                          |
| <b>BLOOMBERG CODE</b>                      | GENDIAY LX                                                            |
| <b>VALUATION</b>                           |                                                                       |
| <b>AUM</b>                                 | 388.92 M EUR                                                          |
| <b>NAV PER SHARE</b>                       | 186.10 EUR                                                            |
| <b>HIGHEST NAV OVER THE LAST 12 MONTHS</b> | 186.61 EUR                                                            |
| <b>LOWEST NAV OVER THE LAST 12 MONTHS</b>  | 135.33 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>ONGOING CHARGES</b>                     | 0.5400%                                                               |

#### CATEGORY AND RISK PROFILE

|                 |        |
|-----------------|--------|
| <b>CATEGORY</b> | Equity |
|-----------------|--------|

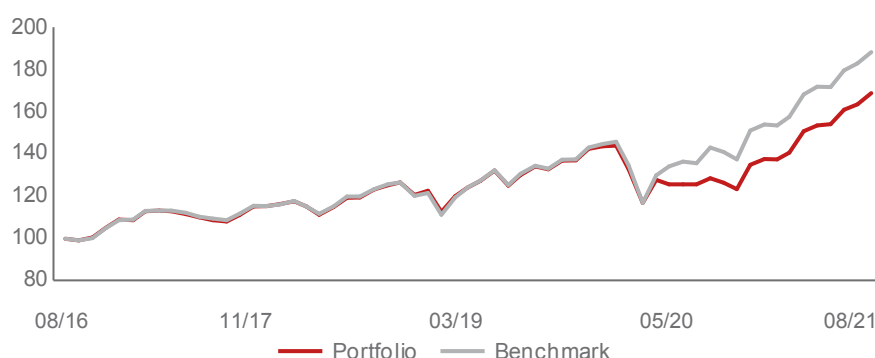
|                           |   |   |                            |   |   |   |
|---------------------------|---|---|----------------------------|---|---|---|
| 1                         | 2 | 3 | 4                          | 5 | 6 | 7 |
| Lower risk                |   |   | Higher risk                |   |   |   |
| Potentially lower rewards |   |   | Potentially higher rewards |   |   |   |

The risk and reward category shown is not guaranteed to remain unchanged and the categorisation of the 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 outperform its Benchmark and to provide a long-term capital appreciation investing in the equity markets in major developed areas (qualifying as Regulated Markets). The Fund shall essentially invest in equities. Equity exposure privileges direct investments in large capitalization, but small and mid-sized capitalizations are not excluded. The Fund may also invest on an ancillary basis in cash, money market instruments, debt securities, equity-linked securities. 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   | 3YR    | 5YR    | 3YR P.A. | 5YR P.A. |
|---------------|------|-------|-------|--------|--------|----------|----------|
| Portfolio     | 3.24 | 22.65 | 31.33 | 34.71  | 68.85  | 10.43    | 11.04    |
| Benchmark     | 2.95 | 22.24 | 31.47 | 49.76  | 88.19  | 14.40    | 13.47    |
| Excess return | 0.28 | 0.41  | -0.14 | -15.05 | -19.34 | -3.96    | -2.43    |

|               | SI    | SI P.A. | 2020   | 2019  | 2018  | 2017  | 2016  |
|---------------|-------|---------|--------|-------|-------|-------|-------|
| Portfolio     | 99.61 | 4.98    | -4.17  | 27.49 | -3.10 | 6.65  | 10.10 |
| Benchmark     | -     | -       | 6.33   | 30.02 | -4.11 | 6.82  | 10.64 |
| Excess return | -     | -       | -10.50 | -2.52 | 1.01  | -0.17 | -0.54 |

|               | 08/21-08/20 | 08/20-08/19 | 08/19-08/18 | 08/18-08/17 | 08/17-08/16 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Portfolio     | 31.33       | -3.22       | 5.99        | 15.96       | 8.10        |
| Benchmark     | 31.47       | 7.54        | 5.93        | 15.57       | 8.73        |
| Excess return | -0.14       | -10.76      | 0.06        | 0.38        | -0.63       |

#### KEY FEATURES

- Investment primarily in large cap companies listed in global developed markets
- Selection of securities integrating an ESG approach, active management and optimisation of the portfolio to limit the tracking error
- SFDR Classification - Art. 8: The fund promotes, among other characteristics, environmental or social ones, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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)

## FUND MANAGER'S COMMENTS

### Market review

August proved to be a steady month for financial markets. There were a number of factors helping to support risk appetite, which gave a lift to equities and high-yield credit. The MSCI World Index rallied +2.5% during the month (+3.0% in €) extending the gains for 021. This is the seventh consecutive month global equities have achieved a positive return. Strong earnings and accommodative policy continue to outweigh the negative from the spread of the Delta variant and concerns about potential US tapering.

On the pandemic front, vaccinations in the US (and increasingly in Europe) are running into the speed limit of reluctant demand. Yet while resurgent Covid worries will retard the global recovery, they are unlikely to derail it. Mobility trackers are recovering, and governments will not risk a fallback into harmful lockdowns with the majority of people in advanced economies already vaccinated.

From a macroeconomic standpoint, in August, the US composite PMI declined for the third time in a row (to 55.4) but remained well into expansionary territory. The Manufacturing PMI (61.2) slowed amidst material shortages and high pressure on capacity. Similarly, the Services PMI (55.2) eased mainly due to labor shortages and the spread of the highly contagious Delta Variant. Inflation remained high (headline CPI at 5.3% yoy, core at 4.2%), although the transitory factors that fueled past readings have started to abate. On the monetary front, Powell opened to the case of a start of the tapering by year-end, although he remained very prudent on the path towards the first rate hike. On the fiscal front, the debate over the debt ceiling remained stuck as the Republicans refuse to endorse the US\$ 3.5 tn fiscal package proposal presented by the Democrats. On the positive side, an agreement over a US\$ 1 tn bipartisan infrastructure deal was reached.

In the Euro Area, despite the Composite PMI (59.5) declining from July's 15-year high of 60.2, business conditions still held well. The Manufacturing PMI (61.4) declined amid mounting capacity constraints, while the Services PMI (59.7) was roughly stable. Headline inflation hit 3% yoy in August (vs 2.2% in July), although energy and other temporary factors played a large role. The ECB may soon discuss some normalization in the pace of purchases as the economy is doing better than expected.

Focusing on equity markets, during the month returns were positive in all regions with Japan best (MSCI Japan +3.2% in ¥), and the US (MSCI US +3.0% in \$) rallying in response to a record proportion of earnings beats. Emerging Markets recovered towards the end of the month, closing in positive territory (MSCI EM +2.6% in \$) as Chinese equities rallied strongly on the last day of August. European equities also gained in the month (MSCI Europe +2.0% in €). From a sector standpoint, the global Tech and Financials led performance in August. Semiconductors (+4.6%), Software (+5.9%), and Tech Hardware (+4.3%) were among the best performing global sectors. A jump in bond yields helped support the performance of global Financials, including Banks (+3.2%) and Insurance (+4.8%). The weakest global sectors were Materials (-0.3%), Energy (-1.1%) and Consumer Discretionary (+0.8%).

### Portfolio activity

After the important trading activity in July, in August we did not change the composition of the strategy. The portfolio is always aligned with our investment philosophy, favoring high-quality companies that exhibit – on average – a lower volatility and drawdown when compared to the broader market. We also despise companies with a worrying level of leverage, preferring those with sound balance sheets, positive profits, and sustainable growth patterns. Alongside financial criteria, we include also Environmental, Social and Governance factors in order to favor companies with best-in-class ESG profiles industry-wise. In July we expect to adjust the composition of the strategy.

### Outlook

The buy-the-dip attitude continued to support risky assets as abundant liquidity and record-ease financial conditions remained supportive. Real yields recovered marginally from the lows reached in July, but once again the dovish message on rates and the labor market provided by Fed's Powell at Jackson Hole put a lid on the extent to which rates can increase, favoring Growth stocks and defensive names. That said, there are increasing calls for a start of the tapering by the end of the year, both in the US and the Euro Area. Indeed, inflation in US remains elevated, with the transitory items in the basket having peaked, but with more structural ones likely to speed up as the labor market recovers. The start of the tapering and an ultimate agreement on the debt ceiling in the US (expected to occur before the end of October) will likely shift the balance of supply and demand in the Treasury market in Q4, resulting in more concrete upward pressures on yields. The speed of these events and the central banks' ability to smooth the process will be key to avoid turbulence in risky assets, in particular in equities. In this context, we are getting more cautious on equities as aggressive EPS growth estimates over the next years are coupled with PEs still close to historical highs. We also recognize the lack of alternatives to equity investments (due to low rates, likely increase in yields etc.) and therefore we believe that technical factors like positioning and flows will remain well supportive for the asset class. As a result, we remain positioned for a sideways move in equities, and we keep a barbell approach, favoring safer segments within the equity markets (high-quality and low volatility) which bode well with the positive ESG profile of the strategy as well as some more "value" sectors which will benefit from a continuation of the reflation trade and rising bond yields. Should indeed rising yields – and in particular real rates – increase the frequency of volatility spikes and market corrections, cyclical and value sectors seem an interesting and fairly cheap pocket were to invest given their positive correlation to rates after years of underperformance in favor of more defensives and growth sectors.

## HOLDINGS & TRANSACTIONS

### TOP 10 EQUITY

| HOLDING                        | SECTOR                 | GROSS %       |
|--------------------------------|------------------------|---------------|
| APPLE INC (AAPL UW)            | Information Technology | 4.27%         |
| MICROSOFT CORP (MSFT UW)       | Information Technology | 4.13%         |
| ALPHABET INC-CL A (GOOGL UW)   | Communication Services | 2.99%         |
| AMAZON.COM INC (AMZN UW)       | Consumer Discretionary | 2.62%         |
| NVIDIA CORP (NVDA UW)          | Information Technology | 1.20%         |
| TESLA INC (TSLA UW)            | Consumer Discretionary | 0.89%         |
| ASML HOLDING NV (ASML NA)      | Information Technology | 0.85%         |
| ACCENTURE PLC-CL A (ACN UN)    | Information Technology | 0.82%         |
| ADOBE INC (ADBE UW)            | Information Technology | 0.82%         |
| VISA INC-CLASS A SHARES (V UN) | Information Technology | 0.77%         |
| <b>Total Top 10 (%)</b>        |                        | <b>19.35%</b> |
| <b>Total Top 20 (%)</b>        |                        | <b>25.88%</b> |

### 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   | 3YR   | 5YR   | SI    |
|------------------------|-------|-------|-------|-------|
| Standard Deviation Ptf | 12.21 | 17.16 | 14.91 | 13.70 |
| Standard Deviation Bmk | 12.47 | 18.66 | 15.94 | -     |
| Tracking Error         | 1.21  | 5.20  | 4.06  | -     |
| Alpha                  | 0.01  | -0.04 | -0.02 | -     |
| Beta                   | 0.98  | 0.88  | 0.90  | -     |
| R-squared              | 0.99  | 0.92  | 0.94  | -     |
| Information Ratio      | 0.02  | -0.76 | -0.59 | -     |
| Sharpe Ratio           | 2.23  | 0.60  | 0.74  | 0.60  |
| Treynor Ratio          | 31.81 | 11.61 | 11.03 | -     |
| Sortino Ratio          | 4.46  | 0.84  | 1.05  | 0.88  |

### NUMBER OF STOCKS

|                                      | FUND  | BENCHMARK |
|--------------------------------------|-------|-----------|
| Number of Positions (ex derivatives) | 308   | 1,557     |
| Out of Benchmark positions           | 5     | -         |
| Active Share                         | 50.08 | -         |
| Number of derivative positions       | 4     | -         |
| Equity Derivatives                   | 4     | -         |
| Total number of positions            | 312   | 1,557     |

### DRAWDOWN

|                                 | SINCE INCEPTION |
|---------------------------------|-----------------|
| Maximum drawdown (%)            | -29.2           |
| Peak to trough drawdown (dates) | Feb 20 - Mar 20 |
| Length (in days)                | 35              |
| Recovery Period (in days)       | 378             |
| Worst Month                     | March 2020      |
| Lowest Return                   | -11.9           |
| Best Month                      | October 2015    |
| Highest Return                  | 12.7            |

### FINANCIAL RATIO - EQUITY

|                              | FUND   | BENCHMARK |
|------------------------------|--------|-----------|
| P/Book value                 | -      | 3.32      |
| P/E Ratio (current)          | -      | 23.87     |
| Dividend Yield (%) (current) | -      | 1.66      |
| Average Market Cap (in M€)   | 77,243 | 31,225    |
| Median Market Cap (in M€)    | 36,195 | 12,548    |

## BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

| COUNTRY        | NET            | RELATIVE |
|----------------|----------------|----------|
| United States  | 62.6%<br>65.5% | -2.9%    |
| Japan          | 5.1%<br>6.6%   | -1.6%    |
| Canada         | 4.3%<br>3.3%   | 1.0%     |
| United Kingdom | 3.9%<br>3.9%   | 0.0%     |
| France         | 3.5%<br>3.0%   | 0.5%     |
| Germany        | 3.0%<br>2.7%   | 0.4%     |
| Switzerland    | 3.0%<br>3.2%   | -0.2%    |
| Others         | 11.8%<br>11.8% | -0.1%    |
| Cash           | 2.8%           |          |

| SECTOR                 | NET            | RELATIVE |
|------------------------|----------------|----------|
| Information Technology | 25.1%<br>23.3% | 1.8%     |
| Financials             | 14.6%<br>13.4% | 1.2%     |
| Consumer Discretionary | 12.3%<br>12.7% | -0.4%    |
| Health Care            | 11.1%<br>11.9% | -0.8%    |
| Industrials            | 9.8%<br>10.5%  | -0.8%    |
| Communication Services | 7.7%<br>9.0%   | -1.4%    |
| Consumer Staples       | 5.1%<br>6.8%   | -1.8%    |
| Others                 | 11.5%<br>12.3% | -0.9%    |
| Cash                   | 2.8%           |          |

| CURRENCY | NET            | RELATIVE |
|----------|----------------|----------|
| USD      | 65.0%<br>68.1% | -3.1%    |
| EUR      | 13.0%<br>9.7%  | 3.3%     |
| JPY      | 5.7%<br>6.6%   | -1.0%    |
| CAD      | 4.3%<br>3.2%   | 1.1%     |
| GBP      | 4.1%<br>4.1%   | 0.0%     |
| CHF      | 3.0%<br>2.9%   | 0.1%     |
| AUD      | 2.1%<br>2.0%   | 0.1%     |
| Others   | 2.8%<br>3.4%   | -0.6%    |

| MARKET CAP | NET            | RELATIVE |
|------------|----------------|----------|
| Over 30 bn | 66.3%<br>68.5% | -2.1%    |
| 5-30 bn    | 23.8%<br>22.6% | 1.2%     |
| Under 5 bn | 7.0%<br>8.9%   | -2.0%    |
| Cash       | 2.8%           |          |

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 above holdings are neither representative of the overall portfolios performance nor do they represent the performance of other holdings held within the portfolio. The composition of the portfolio may change from time to time at the sole discretion of the investment manager.

#### 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

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. Before adopting any investment decision the client shall carefully read, if applicable, the subscription form, and the offering documentation (including the KIID, the prospectus, the fund regulation or by-laws as the case may be), which must be delivered before subscribing the investment. The offering documentation is available at any time, free of charge and in the relevant languages 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. An hardcopy of the offering documentation may also be requested to the Management Company, free of charge. 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-Italiane.

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