

GENERALI INVESTMENTS SICAV

ABSOLUTE RETURN MULTI STRATEGIES - AX

31 August 2021

Marketing communication



KEY DATA

MANAGEMENT COMPANY	Generali Investments Luxembourg S.A.
INVESTMENT MANAGER	Generali Investments Partners S.p.A Società di gestione del risparmio
FUND MANAGER	S. Bruno - L. Colussa - A. Scotti
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	03/07/2006
SHARE CLASS LAUNCH DATE	03/07/2006
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas Securities Services Luxembourg
ISIN	LU0260154488
BLOOMBERG CODE	GISEHST LX
VALUATION	
AUM	137.96 M EUR
NAV PER SHARE	129.87 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	133.39 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	128.07 EUR
FEES	
SUBSCRIPTION FEE	max. 5%
MANAGEMENT FEE	0.2500%
CONVERSION FEE	max. 5%
REDEMPTION FEE	max. 1%
PERFORMANCE FEE	20% p.a. of the yearly performance above the EONIA rate increased by 0.95%
ONGOING CHARGES	0.4000%

CATEGORY AND RISK PROFILE

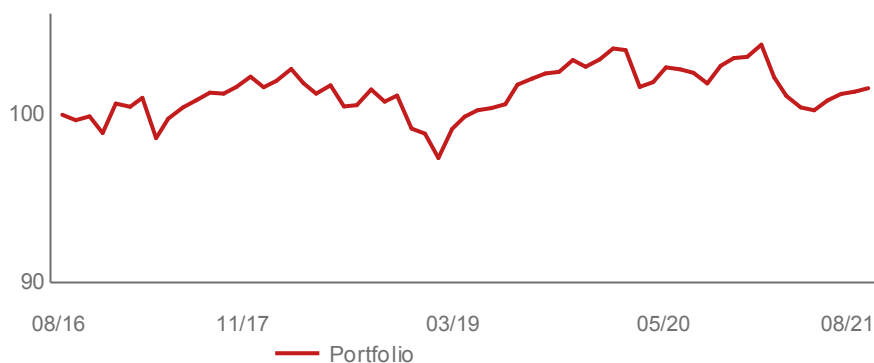
CATEGORY	Absolute Return						
1	2	3	4	5	6	7	
Lower risk	Potentially lower rewards			Potentially higher rewards			Higher risk

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 Fund seeks an increase of the value of your investment over 3-year higher than the EONIA rate. The portfolio average duration ranges from minus 5 years to plus 7 years. The Fund may not invest more than the following percentages of its net assets in: 50% in stocks, 40% in short term debt instruments, 70% in quality corporate bonds with a rating equal or above Baa3 from Moody's and BBB- from Standard & Poor's, 35% in bonds traded on less developed markets, 35% in financial derivatives based on commodity.

PERFORMANCE ANALYSIS AT 31 AUGUST 2021



	1M	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.
Portfolio	0.21	-2.48	-0.29	0.78	1.56	0.26	0.31

	SI	SI P.A.	2020	2019	2018	2017	2016
Portfolio	29.87	1.74	0.83	6.00	-4.47	1.32	1.67

	08/21-08/20	08/20-08/19	08/19-08/18	08/18-08/17	08/17-08/16
Portfolio	-0.29	-0.58	1.66	-0.46	1.24

KEY FEATURES

- Top-down macroeconomic approach to identify market trends and fundamental analysis to support stock selection
- New strategy from January 2019 aimed at maintaining low volatility and monitoring drawdowns
- Portfolio diversification and low correlation through investing in the main asset classes
- True multi-asset approach with a dedicated Management Team

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

FUND MANAGER'S COMMENTS

Portfolio Activity

In August, the Fund delivered a 20-bps profit, thanks to gains from the short positions in core bond futures (Bunds in particular) and gains on Emerging Market bonds.

In the equity space, we kept a marginally positive net exposure (+1%). Both the core portfolio, exposed to High Quality / Low Volatility factors and the satellite component (driven by the Value factor) posted small gains during the month, though they somewhat lagged the overall market. On the derivative side, the relative trade on dividend yields (long Euro Stoxx 50 / short Euro Stoxx Banks dividend yield) was largely flat, while the long Dow Jones / short S&P 500 trade suffered due to the strong performance of Growth names.

In the fixed income space, we increased the duration exposure to Emerging Markets, that had lagged the downward movement in core yields in July. At the same time, we reduced the exposure to Italian inflation linkers (BTP Italia), taking advantage of the further rise in inflation breakevens. We currently have an exposure of 25.8% to Emerging Market bonds, with Romanian EUR-denominated and Chinese local-currency bonds being the largest positions. In the corporate bond arena, we maintained a differentiation outside EUR bonds, with 39% of the duration exposure in bonds denominated in AUD, GBP, USD and ZAR (all currency hedged), as whose curves are still steeper than in the euro area despite the flattening seen over the past months. On the derivative side, we kept the short positions on 5-year US Treasuries and 5- and 10-year German Bunds.

The duration of the portfolio was increased to +0.83 years from +0.26 before. Overall, we kept a long duration exposure to corporate bonds (+1.43 years), EM bonds (+1.58 years, of which +0.25 years in USD-denominated bonds, +1.09 years in EUR-denominated ones, +0.24 years in local-currency bonds) and a marginal one on BTPs (+0.19 years). We are short Bunds (-2.05 years) and US Treasuries (-0.50 years).

On the FX side, we are long CNY (3.1% via bonds) vs TWD (-3.1%), long IDR (+1.2%), short USD (-2.0%). We are broadly neutral on the EUR.

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 keep a short duration positions on core government bonds and a prudent duration approach overall to the whole fixed income basket. Carry strategies remain an important tool to offset the upward pressure in yields and we remain overweighted on corporate bonds (with low duration) and selected Emerging Market bonds, with the latter that have lagged the downward phase in global yields during the summer. In the equity space, we keep a prudent approach, favoring a barbell strategy, thus investing in Quality and Banks as the latter would benefit in case of an upward movement in yields.

HOLDINGS & TRANSACTIONS

TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
ROMANIA 4.625 04/03/49	Sovereigns (Frng Curr)	BBB-	2.78%
COM BK AUSTRALIA 9 04/18/28	Financials	AA-	2.03%
AFRICA FINANCE 3.75 10/30/29	Supranationals	A-	1.97%
ROMANIA 3.875 10/29/35	Sovereigns	BBB-	1.75%
ROMANIA 3.624 05/26/30	Sovereigns (Frng Curr)	BBB-	1.69%
N MACEDONIA BOND 3.675 06/03/26	Sovereigns (Frng Curr)	BB-	1.62%
ALBANIA 3.5 10/09/25	Sovereigns (Frng Curr)	B+	1.60%
UKRAINE GOVT 7.75 09/01/23	Sovereigns	B	1.32%
AFRICA FINANCE 3.125 06/16/25	Supranationals	A-	1.30%
UKRAINE GOVT 7.75 09/01/21	Sovereigns (Frng Curr)	B	1.28%
Total Top 10 (%)			17.34%
Total Top 20 (%)			27.07%

TOP 10 EQUITY

HOLDING	SECTOR	GROSS %
RECORDATI INDUSTRIA CHIMICA (REC IM)	Health Care	0.18%
GEBERIT AG-REG (GEBN SE)	Industrials	0.16%
LEG IMMOBILIEN SE (LEG GY)	Real Estate	0.16%
GJENSIDIGE FORSIKRING ASA (GJF NO)	Financials	0.16%
L'OREAL (OR FP)	Consumer Staples	0.16%
ROCHE HOLDING AG-GENUSSCHEIN (ROG)	Health Care	0.16%
HERMES INTERNATIONAL (RMS FP)	Consumer Discretionary	0.15%
SANOFI (SAN FP)	Health Care	0.15%
AMUNDI SA (AMUN FP)	Financials	0.14%
EQT AB (EQT SS)	Financials	0.10%
Total Top 10 (%)		1.50%
Total Top 20 (%)		2.44%

TOP 3 SALES OVER THE LAST MONTH

FIXED INCOME
N MACEDONIA BOND 5.625 07/26/23
BTPS 0.65 10/28/27

TOP 3 PURCHASES OVER THE LAST MONTH

FIXED INCOME
N MACEDONIA BOND 3.675 06/03/26
UKRAINE GOVT 7.75 09/01/23
SERBIA REPUBLIC 3.125 05/15/27

TOP 3 SALES OVER THE LAST MONTH

EQUITY
No Sales for this period

TOP 3 PURCHASES OVER THE LAST MONTH

EQUITY
No Purchases for this period

PORTFOLIO BREAKDOWNS

■ Fund

ASSET CLASS	NET	RELATIVE
Government	32.0%	
Corporate	29.4%	
Cash & Cash Equivalent	19.8%	
Equities	19.1%	
Others	-0.3%	

CURRENCY	NET	RELATIVE
EUR	98.6%	
IDR	1.2%	
USD	1.0%	
DKK	0.9%	
Others	-1.7%	

RATIOS

PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	2.94	3.06	3.30	3.87
Sharpe Ratio	0.12	0.22	0.22	0.21
Sortino Ratio	0.14	0.28	0.28	0.28

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-8.7
Peak to trough drawdown (dates)	Jan 11 - Sep 11
Length (in days)	252
Recovery Period (in days)	357
Worst Month	July 2010
Lowest Return	-4.5
Best Month	March 2009
Highest Return	3.8

FINANCIAL RATIO - EQUITY

	FUND
P/Book value	-
P/E Ratio (current)	-
Dividend Yield (%) (current)	2.07
Average Market Cap (in M€)	35,661
Median Market Cap (in M€)	18,344

PORTFOLIO RISK RATIO

	FUND
VaR (99% - 20days)	0.45

FINANCIAL RATIO - FIXED INCOME

	FUND
Z-Spread	159.91
DTS (Duration Times Spread)	505.68
Average Rating (2nd best)	BBB-
Modified Duration	3.85
Effective Duration	0.67
Average Time to Maturity	3.94
Yield to Maturity	2.31
Current Yield	2.07
Average Coupon	2.21

EQUITY BREAKDOWNS

■ Fund

COUNTRY	NET	RELATIVE
Luxembourg	20.0%	
France	14.6%	
Switzerland	14.1%	
Germany	11.7%	
United Kingdom	8.4%	
Sweden	7.4%	
Netherlands	7.3%	
Others	16.4%	

SECTOR	NET	RELATIVE
Funds	20.0%	
Financials	15.5%	
Industrials	12.6%	
Health Care	11.3%	
Materials	8.0%	
Consumer Staples	7.6%	
Consumer Discretionary	7.0%	
Others	18.0%	

CURRENCY	NET	RELATIVE
EUR	61.6%	
CHF	14.1%	
GBP	8.4%	
SEK	7.4%	
DKK	5.3%	
NOK	2.0%	
USD	1.2%	

MARKET CAP	NET	RELATIVE
5-30 bn	41.5%	
Under 5 bn	31.7%	
Over 30 bn	26.8%	

FIXED INCOME BREAKDOWNS

■ Fund

COUNTRY	NET	RELATIVE
Ireland	9.7%	
Italy	9.5%	
Romania	9.1%	
United Kingdom	8.8%	
Australia	6.4%	
Netherlands	5.9%	
France	5.8%	
Others	44.7%	

SECTOR	NET	RELATIVE
Sovereigns (Frng Curr)	26.9%	
Financials	19.5%	
Sovereigns	15.3%	
Funds	9.7%	
Utilities	4.9%	
Supranationals	4.9%	
Consumer Discretionary	3.3%	
Others	15.5%	

RATINGS (2ND BEST)	NET	RELATIVE
AA	4.0%	
A	10.1%	
BBB	52.2%	
BB	14.0%	
B	9.6%	
NR	1.0%	
Others	0.1%	
Not Available	9.0%	

MATURITY	NET	RELATIVE
0-1Y	3.6%	
1-3Y	11.5%	
3-5Y	31.1%	
5-10Y	37.4%	
10-20Y	2.6%	
Over 20Y	4.8%	
Not Available	9.0%	

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), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website (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-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. 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.