

KEY DATA

MANAGEMENT COMPANY	Generali Investments Luxembourg S.A.
INVESTMENT MANAGER	Generali Investments Partners S.p.A Società di gestione del risparmio
FUND MANAGER	Mauro VALLE / Fabrizio VIOLA
BENCHMARK	100% BLOOMBERG BARCLAYS MSCI EURO GREEN BOND INDEX (TR)
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	16/12/2019
SHARE CLASS LAUNCH DATE	16/12/2019
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas Securities Services Luxembourg
ISIN	LU2036757479
BLOOMBERG CODE	GEGADIE LX

VALUATION

AUM	202.67 M EUR
NAV PER SHARE	101.79 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	103.81 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	98.92 EUR

FEES

SUBSCRIPTION FEE	max. 5%
MANAGEMENT FEE	0.3000%
CONVERSION FEE	max. 5%
REDEMPTION FEE	max. 1%
PERFORMANCE FEE	n.a.
ONGOING CHARGES	0.4400%

CATEGORY AND RISK PROFILE

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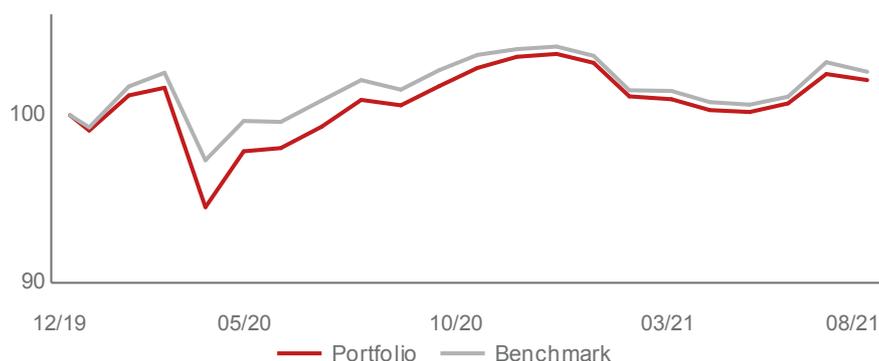
1	2	3	4	5	6	7
Lower risk Potentially lower rewards			Higher risk Potentially higher rewards			

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 outperform its Benchmark investing in Green and Sustainable Bonds denominated in Euro. The Fund shall invest at least 70% of its net assets in Green and Sustainable Bonds denominated in Euro, with an Investment Grade Credit Rating, selected from the investment universe defined by the Benchmark, based on established "Green Bond Principles". The Fund may invest up to 30% of its net assets in Green and Sustainable Bonds, or other bonds, that are not constituent of the Benchmark. The Fund may invest on an ancillary basis in convertible bonds, in standardized credit default swaps, in Money Market Instruments, bank deposits, and may use financial instruments and derivatives for hedging purposes. The Fund may hold equities following the conversion up to 10% of its net asset, for a period of 3 months maximum. The maximum non-euro currency exposure cannot exceed 30% of the net assets of the Fund. All issuers of bonds, convertible bonds and reference obligations underlying credit default swaps will be subject to a proprietary ethical filter. None of the net assets of the Fund may be invested directly in equities and other participation rights.

PERFORMANCE ANALYSIS AT 31 AUGUST 2021



	1M	YTD	1YR
Portfolio	-0.36	-1.48	1.50
Benchmark	-0.56	-1.44	1.05
Excess return	0.20	-0.05	0.45

	SI	SI P.A.	2020
Portfolio	2.09	1.22	4.57
Benchmark	2.58	1.50	4.82
Excess return	-0.48	-0.28	-0.25

	08/21-08/20
Portfolio	1.50
Benchmark	1.05
Excess return	0.45

KEY FEATURES

- A responsible investing approach for today and tomorrow through bonds that finance green, sustainable projects
- A liquid, transparent strategy that makes a real, positive impact on environmental issues, for example climate change and the energy transition
- 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

FUND MANAGER'S COMMENTS

Market view

Vaccinations in the US (and increasingly Europe) are running into the speed limit of reluctant demand. Yet while resurgent Covid worries will retard the global recovery, they will unlikely derail it. Mobility trackers still recover in most advanced economies. Vaccines' protection against hospitalization and death is still supported by studies. And with the majority of people in most advanced economies vaccinated and vaccines available for elder children too, governments will not risk a fallback into harmful lockdowns.

In August, the US composite PMI remains in expansionary territory, but declined for the third consecutive month to 55.4. The Manufacturing PMI (61.2) slowed further amidst material shortages and high pressure on capacity. Similarly, the Services PMI (55.2) remains in expansion but weak, mainly due to labour shortages and the spread of the highly contagious Delta Variant. On the fiscal front, after the US\$ 1tn bipartisan infrastructure package, the Democrats pushed through the House of Representative a US\$ 3.5tn budget resolution, making a step ahead towards final approval. Inflation remains high (headline CPI at 5.3% yoy, core at 4.2%), but the few sectors responsible for the surge (like used cars or airfares) are cooling. Powell reframed the current Fed's narrative in a more explicit and hawkish way, showing a guarded optimism on the short-term risks from the new COVID strain and sharing the view that tapering could start already this year.

In the Euro Area, despite the Composite PMI (59.5) declining from July's 15-year high of 60.2, business conditions are still holding well. The Manufacturing PMI (61.4) declined amid strong capacity constraints, while Services (PMI: 59.7) was roughly stable, not diverging too much from the peak of July (59.8). Inflation keeps rising in the Euro Area, too, with an estimate of 3% yoy in August (2.2% in July).

In the past month, there has been a moderate increase in benchmark yields, with the Treasury up by 6 bps to 1.30% and the Bund up by 8 bps to -0.38%. Non-core spreads were roughly stable, with the BTP-Bund spread at 109 bps and the Bonos-Bund spread down to 72 bps.

In August the MSCI Euro Green Bond Index returned -0.56% absolute, a negative month where credit spreads showed low volatility overall and rates increased in the last days of the month in particular. August was characterized by little issuance and few opportunities on the secondary market as well. Excess return of green bonds over government bonds has been slightly negative too (-0.16%), indicating little interest for such a long duration products for the time being. In terms of use of proceeds, this month there were no particular trends to highlight. In sectorial terms, financials and industrial companies outperformed utilities.

Portfolio activity

During the month we have purchased 2 new positions (KBC and Leaseplan). In September we expect much more issuance and more relative value opportunities to exploit. Finally, the portfolio duration has been managed through tactical overlay strategy via bond futures with short duration positioning compared to the benchmark.

Outlook

The central banks worldwide accommodative stance aimed to support the economies using all their monetary policy tools, it is a positive factor for the rates environment especially for core and semi-core space. In particular, the PEPP can be considered as a backstop in Eurozone for the spread widening. Like in 2016, the CSPP (Corporate Sector Purchase Programme) should limit widening, and more so as the Fed is now also a buyer of corporate bonds. The system of government guarantees and bailout funds, as well as intense central bank buying in IG space, will reduce the liquidity risk and facilitate the reopening of primary markets. At the same time, vaccination rollout improves the expectations on pandemic situation as well as the global growth recovery. On the contrary, the rising inflation could push higher interest rates and the new risk factor is surely the relation between credit spread and inflation. Under mentioned circumstances we do not expect major spill-over effects on credit spreads, especially investment grade ones. Other positive technical factors to highlight is the great amount of liquidity sitting on the sidelines of real money like insurers, money ready to be invested again at those marginal higher yields. The portfolio will continue to be invested maintaining the same average rating and the same level of diversifications. The duration exposure will be managed in the range 8 - 10 years with a tactical approach.

HOLDINGS & TRANSACTIONS

TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
FRANCE O.A.T. 1.75 06/25/39	Sovereigns	AA	4.93%
BTPS 1.5 04/30/45	Sovereigns	BBB-	4.81%
EUROPEAN INVT BK 0.01 11/15/35	Supranationals	AAA	2.09%
FRANCE O.A.T. 0.5 06/25/44	Sovereigns	AA	2.06%
IRISH GOVT 1.35 03/18/31	Sovereigns	A+	2.04%
NETHERLANDS GOVT 0.5 01/15/40	Sovereigns	AAA	1.78%
BELGIAN 0346 1.25 04/22/33	Sovereigns	AA-	1.76%
MUNCHEN HYPOBANK 0.375 03/09/29	Financials	A	1.49%
LANDBK HESSEN-TH 0.375 06/04/29	Financials	A	1.49%
ENGIE PERP	Utilities	BBB-	1.26%
Total Top 10 (%)			23.70%
Total Top 20 (%)			34.94%

TOP 3 SALES OVER THE LAST MONTH

No Sales for this period

TOP 3 PURCHASES OVER THE LAST MONTH

MUNICH RE 1 05/26/42
LEASEPLAN CORP 0.25 09/07/26
KBC GROUP NV 12/07/31

RATIOS

PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	SI
Standard Deviation Ptf	2.81	5.58
Standard Deviation Bmk	2.87	4.63
Tracking Error	0.70	1.73
Alpha	0.01	-0.01
Beta	0.95	1.16
R-squared	0.94	0.92
Information Ratio	0.53	-0.18
Sharpe Ratio	0.77	0.32
Treynor Ratio	2.15	1.34
Sortino Ratio	1.32	0.39

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-8.0
Peak to trough drawdown (dates)	Mar 20 - Mar 20
Length (in days)	14
Recovery Period (in days)	196
Worst Month	March 2020
Lowest Return	-7.0
Best Month	April 2020
Highest Return	3.5

FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	57.01	27.40
DTS (Duration Times Spread)	532.76	257.89
Average Rating (2nd best)	A-	A+
Modified Duration	9.03	9.32
Effective Duration	6.13	9.31
Average Time to Maturity	9.69	10.09
Yield to Maturity	0.70	0.35
Current Yield	0.82	0.40
Average Coupon	0.87	0.85

MODIFIED DURATION EVOLUTION



BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET		RELATIVE	
France	23.3%	28.4%	-5.1%	
Germany	12.1%	17.0%	-4.8%	
Italy	10.3%	6.4%	3.9%	
Spain	9.4%	6.4%	3.0%	
Netherlands	9.2%	10.0%	-0.8%	
Belgium	4.3%	3.9%	0.4%	
Ireland	3.9%	2.2%	1.6%	
Others	21.3%	25.7%	-4.4%	
Cash	6.2%			

SECTOR	NET		RELATIVE	
Financials	35.2%	19.6%	15.7%	
Sovereigns	20.7%	25.6%	-5.0%	
Utilities	12.5%	15.5%	-3.0%	
Real Estate	6.3%	3.7%	2.7%	
Agencies	5.7%	10.7%	-5.0%	
Supranationals	3.4%	3.4%	-0.1%	
Materials	2.4%	0.3%	2.1%	
Others	7.5%	21.2%	-13.7%	
Cash	6.2%			

RATINGS (2ND BEST)	NET		RELATIVE	
AAA	6.4%	23.7%	-17.4%	
AA	15.3%	28.2%	-12.9%	
A	22.3%	19.4%	2.9%	
BBB	47.7%	28.6%	19.0%	
BB	0.6%		0.6%	
NR	1.7%		1.7%	
Not Available	-0.2%		-0.2%	
Cash	6.2%			

MATURITY	NET		RELATIVE	
0-1Y	0.5%	2.6%	-2.2%	
1-3Y	4.3%	8.6%	-4.2%	
3-5Y	13.2%	18.9%	-5.6%	
5-10Y	47.2%	36.3%	10.9%	
10-20Y	18.9%	23.6%	-4.7%	
Over 20Y	9.8%	10.0%	-0.3%	
Not Available	-0.2%		-0.2%	
Cash	6.2%			

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.