

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
BENCHMARK	33.95% BOFA ML POLAND GVT 1-4 Y (RI) + 24.25% BOFA ML HUNGARY GVT 1-4 Y (RI) + 24.25% BOFA ML CZECH REPUBLIC GVT 1-4 Y (RI) + 14.55% BOFA ML ROMANIA GVT (RI) + 3% BOFA ML EURO GVT 0-1 Y (RI)
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	02/04/2002
SHARE CLASS LAUNCH DATE	23/04/2004
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas Securities Services Luxembourg
ISIN	LU0145481221
BLOOMBERG CODE	GENBOCX LX

VALUATION

AUM	729.21 M EUR
NAV PER SHARE	174.46 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	177.98 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	170.61 EUR

FEEES

SUBSCRIPTION FEE	max. 5%
MANAGEMENT FEE	0.7000%
CONVERSION FEE	max. 5%
REDEMPTION FEE	max. 1%
PERFORMANCE FEE	n.a.
ONGOING CHARGES	0.8600%

CATEGORY AND RISK PROFILE

CATEGORY	Fixed Income
-----------------	--------------

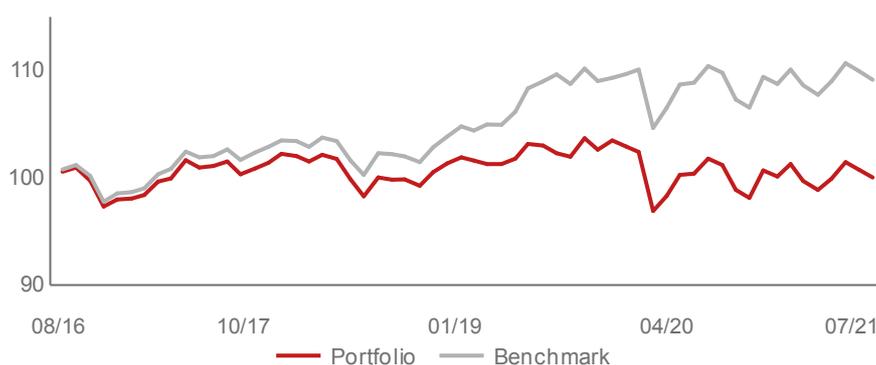
1	2	3	4	5	6	7
Lower risk Potentially lower rewards			Higher risk Potentially higher rewards			

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 quality debt securities. The Fund shall essentially invest in debt securities of issuers incorporated or having their registered office in Central and Eastern Europe (CEE). The Fund shall mainly invest in securities with Investment Grade Credit Rating. Investment Grade Credit Rating is credit rating from AAA to BBB for Standard & Poors or from Aaa to Baa3 for Moody's or from AAA to BBB- for Fitch or an equivalent credit rating by a recognised credit rating agency or an equivalent credit rating as deemed by the Investment Manager. The Fund may be invested on an ancillary basis in money market instruments, bank deposits and bonds of European issuer. The Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes.

PERFORMANCE ANALYSIS AT 30 JULY 2021



	1M	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.
Portfolio	-0.69	-0.08	-1.70	0.01	0.22	0.00	0.04
Benchmark	-0.74	0.34	-1.15	6.67	9.32	2.18	1.80
Excess return	0.05	-0.42	-0.56	-6.66	-9.09	-2.17	-1.75

	SI	SI P.A.	2020	2019	2018	2017	2016
Portfolio	74.46	3.27	-3.23	2.12	-0.90	4.32	-0.76
Benchmark	145.80	5.34	-0.50	5.25	0.35	4.96	1.00
Excess return	-71.34	-2.07	-2.74	-3.13	-1.25	-0.64	-1.77

	07/21-07/20	07/20-07/19	07/19-07/18	07/18-07/17	07/17-07/16
Portfolio	-1.70	-1.19	2.96	-1.04	1.27
Benchmark	-1.15	1.30	6.53	0.25	2.23
Excess return	-0.56	-2.48	-3.56	-1.29	-0.96

KEY FEATURES

- Actively managed by a specialized Fund Management team, supported by dedicated analysis from in-house research
- Invests in quality bonds with mainly investment grade rating, focusing on the Czech Republic, Poland, Slovenia and Slovakia
- Profits from the convergence trends of CEE countries, such as the economic convergence (strong growth, catch-up effect to original EU countries) and the financial convergence to EMU (the appreciation of the currency and spread tightening)

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 review

In July, the decline in bond yields in key global markets continued as the spread of the delta variant influence recovery prospect especially in east Asia. Irrespective of inflation acceleration, major central banks tend to look at price momentum as transitory and tapering of QE programs is not on the table. A change of ECB's monetary policy framework send additional dovish "low for long" type of signal to markets. In the CEE region, the past weeks have brought a tightening of monetary policy in Hungary (by 30bp to 1,2%) and the Czech Republic (by 25bp to 0,75%). Despite hikes and notwithstanding a significant increase in inflation in Poland (to 5% y/y) the government bond yields fell during July due to the mood in global bond markets. The CNB and the MNB have made it clear that their interest rates will continue to rise. In case of Poland, we expect the first-rate hike at the end of this year. Romanian central bank kept its key interest rate unchanged but tightening of money market liquidity conditions is in the pipeline. Across the region, there is a continuing accumulation of inflationary risks, which are related to both strong pent-up demand and supply chain disruptions.

Portfolio activity

Total return of the fund in July was -0,67% and +0,09% YTD. As in the previous month, the performance was driven by FX weakening of HUF and PLN. Increase of short CZ/HU yields in response to tightening of two CEE central banks had also small immediate negative impact. We closed small OW FX positions on CZK and HUF. Underweighted PLN FX position is kept due to the ongoing non-fundamentally driven dovishness of the Polish central bank and ROMGB duration position is slightly overweighted.

Outlook

Price pressures in the world economy remain present and the upward trend in risk-free yields should prevail for the rest of the year. For the rest of 2021, a lot is priced in by HU/CZ short GBs' markets and we have neutral outlook. We remain moderately underweight in POLGBs as the inflation dynamics will force Polish central bank to act sooner or later. We expect both global and CEE FX to remain supported by decent valuation, risk-on environment, hawkish monetary policies, and high dynamics of growth.

HOLDINGS & TRANSACTIONS

TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
CZECH REPUBLIC 0.45 10/25/23	Sovereigns	AA-	8.56%
POLAND GOVT BOND 2.5 04/25/24	Sovereigns	A	7.10%
POLAND GOVT BOND 5.75 09/23/22	Sovereigns	A	6.56%
POLAND GOVT BOND 2.25 04/25/22	Sovereigns	A	6.17%
HUNGARY GOVT 1.5 08/23/23	Sovereigns	BBB	6.13%
HUNGARY GOVT 1.75 10/26/22	Sovereigns	BBB	5.65%
CZECH REPUBLIC 1.25 02/14/25	Sovereigns	AA-	5.19%
HUNGARY GOVT 1.5 08/24/22	Sovereigns	BBB	4.68%
POLAND GOVT BOND 2.5 01/25/23	Sovereigns	A	4.50%
CZECH REPUBLIC 11/19/27	Sovereigns	AA-	3.43%
Total Top 10 (%)			57.96%
Total Top 20 (%)			80.54%

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	4.80	4.73	4.30	7.61
Standard Deviation Bmk	4.74	4.87	4.38	8.01
Tracking Error	0.28	1.31	1.13	2.71
Alpha	-0.01	-0.04	-0.03	-0.01
Beta	1.01	0.93	0.95	0.74
R-squared	1.00	0.93	0.93	0.77
Information Ratio	-1.97	-1.65	-1.55	-0.76
Sharpe Ratio	-0.25	0.07	0.10	0.18
Treynor Ratio	-1.35	-0.27	-1.22	-2.32
Sortino Ratio	-0.39	0.10	0.14	0.27

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-27.0
Peak to trough drawdown (dates)	Aug 08 - Mar 09
Length (in days)	217
Recovery Period (in days)	798
Worst Month	October 2008
Lowest Return	-9.3
Best Month	April 2009
Highest Return	9.2

FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	37.44	45.76
DTS (Duration Times Spread)	-	-
Average Rating (2nd best)	A-	A-
Modified Duration	2.34	2.40
Effective Duration	2.34	2.40
Average Time to Maturity	2.72	-
Yield to Maturity	1.59	1.48
Current Yield	2.52	2.36
Average Coupon	2.64	-

MODIFIED DURATION EVOLUTION



BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET	RELATIVE
Poland	31.7% 33.9%	-2.2%
Hungary	25.7% 24.0%	1.7%
Czech Republic	25.5% 24.5%	1.0%
Romania	16.0% 14.6%	1.4%
Italy	0.8%	-0.8%
Germany	0.7%	-0.7%
France	0.7%	-0.7%
Others	0.8%	-0.8%
Cash	1.1%	

SECTOR	NET	RELATIVE
Sovereigns	95.3% 95.4%	-0.1%
Sovereigns (Frngn Curr)	2.7% 4.6%	-1.9%
Covered Bonds	0.8%	0.8%
Cash	1.1%	

RATINGS (2ND BEST)	NET	RELATIVE
AAA	0.8%	-0.8%
AA	25.5% 25.5%	0.0%
A	31.7% 34.3%	-2.6%
BBB	41.7% 39.4%	2.2%
Cash	1.1%	

MATURITY	NET	RELATIVE
0-1Y	10.7% 7.5%	3.2%
1-3Y	54.8% 59.7%	-4.9%
3-5Y	23.3% 28.7%	-5.4%
5-10Y	9.4% 3.2%	6.2%
10-20Y	0.6% 0.8%	-0.2%
Cash	1.1%	

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.