

GENERALI INVESTMENTS SICAV  
CENTRAL & EASTERN EUROPEAN EQUITY - BX  
30 April 2024



Marketing communication for Professional investors in AT,CZ,FR,DE,IT,LU,NL,SK,ES,CH

#### KEY DATA

MANAGEMENT COMPANY	Generali Investments Luxembourg S.A.
INVESTMENT MANAGER	Generali Asset Management S.p.A. Società di gestione del risparmio
FUND MANAGER	Luca COLUSSA
BENCHMARK	50% MSCI POLAND (NR) + 15% MSCI CZECH REPUBLIC (NR) + 10% MSCI HUNGARY (NR) + 10% MSCI AUSTRIA (NR) + 10% MSCI ROMANIA (NR) + 5% BOFA ML EURO GVT 0-1 Y (RI)
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	02/04/2002
SHARE CLASS LAUNCH DATE	03/06/2003
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
SUB FUND CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas SA/Luxembourg
ISIN	LU0145469952
BLOOMBERG CODE	GENEQBX LX

#### VALUATION

AUM	57.34 M EUR
NAV PER SHARE	402.52 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	404.75 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	299.62 EUR

#### DEALING DETAILS

CUT OFF TIME	T at 1 pm (T being the dealing day)
SUBSCRIPTION SETTLEMENT	T+3
REDEMPTION SETTLEMENT	T+3
VALUATION	Daily
NAV CALCULATION	Day +1
NAV PUBLICATION	Day +1

#### INVESTMENT OBJECTIVE AND POLICY

The objective of the Fund is to provide long-term capital appreciation and to outperform its Benchmark. The Fund shall essentially invest in equities and other participation rights of companies incorporated or having their registered office in Central and Eastern Europe, listed on the stock exchanges of Central and Eastern Europe Countries (CEEC). The Fund may also invest on an ancillary basis in equities, in participation rights and in equity-linked securities of European issuers. The Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes.

#### KEY FEATURES

- Active management in a clearly defined investment process
- High level of flexibility to select the most attractive equity opportunities
- Invests in companies listed in Poland, Czech Republic, Hungary, Romania, Baltic States, Turkey, Croatia, Slovenia and Austria
- 02/03/2020: Change of Benchmark (before this date: MSCI EFM Selected Countries Special Weighted - Net Total Return Index)

#### CATEGORY AND RISK PROFILE

CATEGORY	Equity						
1	2	3	4	5	6	7	
Lower risk					Higher risk		

The risk indicator is based on the assumption that you keep the product over the recommended investment period. The data used to calculate the synthetic indicator may not be a reliable indication of the future risk profile of your product. It is not certain that the risk category will remain unchanged, and the classification of the product may therefore change over time. The risk factors are described in full in the Prospectus.

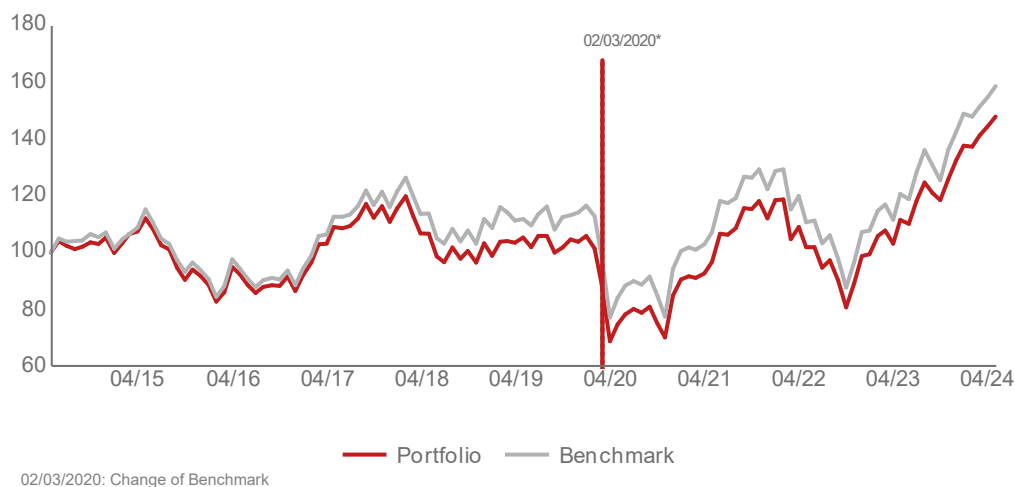
#### MAIN COSTS (NON-EXHAUSTIVE LIST)\*

ENTRY CHARGE (MAX)	0.0%
MAX. MANAGEMENT FEE P.A. (AS PER THE PROSPECTUS)	0.80%
MANAGEMENT FEES AND OTHER ADMINISTRATIVE OR OPERATING COSTS P.A.	1.02%
EXIT COST (MAX)	0.0%
PERFORMANCE FEE	NaN

When the reference currency of the Sub-fund or unit/share class differs from the one of your country, the currency fluctuations may have a negative impact on the net asset value, the performances and costs. Returns may increase or decrease as a result of currency fluctuations.

## PERFORMANCE ANALYSIS

### EVOLUTION OF CUMULATIVE PERFORMANCES (%)



### ANNUALIZED & CUMULATIVE PERFORMANCES (%)

	1M	YTQ	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.	10YR	10YR P.A.	Since Inception	Since Inception P.A.
Portfolio	2.55	4.79	7.46	32.66	52.93	40.56	15.20	7.04	47.89	3.99	302.52	6.88
Benchmark	2.62	3.76	6.48	31.48	47.95	41.73	13.93	7.22	58.54	4.71	252.17	6.20
Excess return	-0.07	1.03	0.99	1.18	4.98	-1.16	1.26	-0.18	-10.66	-0.73	50.35	0.68

### CALENDAR YEAR PERFORMANCES (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Portfolio	38.43	-16.09	30.94	-14.49	7.10	-14.51	25.67	3.81	-11.33	1.54
Benchmark	38.23	-16.33	28.04	-13.72	7.26	-10.55	28.75	4.04	-10.54	5.21
Excess return	0.20	0.24	2.91	-0.78	-0.17	-3.96	-3.08	-0.23	-0.79	-3.67

### ROLLING 1Y PERFORMANCES (%)

	04/24-04/23	04/23-04/22	04/22-04/21	04/21-04/20	04/20-04/19	04/19-04/18	04/18-04/17	04/17-04/16	04/16-04/15	04/15-04/14
Portfolio	32.66	9.40	5.37	29.40	-28.97	-1.39	-2.06	17.91	-17.57	12.08
Benchmark	31.48	8.91	3.32	27.48	-24.85	-1.65	0.99	19.17	-17.92	15.15
Excess return	1.18	0.49	2.05	1.92	-4.11	0.26	-3.05	-1.25	0.35	-3.07

Past performance is not a guide to future performance and may be misleading. There is no guarantee that the investment objective will be reached. Investors may not get back the initial invested amount. 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. Future performance is subject to tax, which depends on the individual investor's circumstances and may change in the future. The costs may increase or decrease as a result of currency and exchange rate fluctuation.

## FUND MANAGER'S COMMENTS

Fund manager notes – April 2024

### Market review & Outlook

The GIS Central & Eastern European Equity Fund posted a modest gain of around 2.6% month-over-month (slightly below its key MSCI benchmarks). This uptick was primarily driven by increases in commodity and consumer stocks, although several sectors including banks, telecommunications, and utilities experienced lagging performance. Notably, Poland's metals and mining company KGHM emerged as the top performer, with a remarkable 23% increase attributed to its positive Q4 earnings report, fuelled by reduced costs, improved market prices, and stronger cash generation. Furthermore, market sentiment was bolstered by BHP's bid for Anglo American, signalling optimism within the mining industry due to the potential for the largest acquisition in years.

Conversely, the US market saw a decline, with the S&P500 index dropping by over 4% amidst concerns about rising inflation leading investors to reconsider the Federal Reserve's rate-cutting strategy. Additionally, weaker-than-expected Q1 GDP growth weighed on market sentiment. Similarly, Europe's STOXX600 index fell by 1.5%, reflecting scepticism about the European Central Bank's willingness to follow the Fed's easing cycle despite positive developments in the euro area. On the other hand, Mainland China's CSI300 index rebounded by almost 2%, and Hong Kong's Hang Seng surged by 7.4% as optimism grew regarding the Chinese economy. In contrast, Japan's Nikkei225 fell by almost 5% due to geopolitical tensions and uncertainties surrounding the US Federal Reserve's monetary policy stance, despite the Japanese yen weakening against the US dollar.

In terms of sector performance, in the US, all sectors except for defensive utilities experienced a decline, with real estate and technology being the hardest hit. Energy, consumer staples, and telecommunications showed more resilience. Notably, 78% of S&P500 companies reporting Q1 results exceeded EPS estimates, with a surprising growth rate of 6% year-over-year, surpassing expectations by 8%. However, sectors like commodities, discretionary spending, and real estate showed weakness, while communication services and utilities demonstrated stronger performance, with topline growth at +3% year-over-year, exceeding expectations by one percentage point. In Europe, basic resources notably outperformed due to rising commodity prices, followed by energy and banking sectors, while automotive, retail, and travel & leisure industries lagged.

### Portfolio activity

We have moderately decreased the equity allocation close to benchmark level.

### Outlook

CEE government bond yields continued to climb in April, influenced by global market events. In Hungary, the pace of interest rate cuts by the MNB slowed down, contributing to the upward movement in yields. In early May, the CNB reduced interest rates by half a percentage point during its monetary meeting, but this was accompanied by relatively hawkish comments. Consequently, yields on bonds with shorter maturities saw a slight increase, while the CZK strengthened against the EUR. Meanwhile, the Polish NBP has maintained interest rates unchanged despite low inflation, with a potential restart of the interest rate reduction process anticipated no earlier than the final quarter of this year.

Regarding investment strategies, the recommendation continues to favour financials with strong earnings and robust capital ratios. However, investors are advised to consider taking profits in anticipation of potential rate cuts. Specific real estate sectors, particularly logistics, are highlighted due to the growth in e-commerce. Energy stocks are also viewed favourably given the rising commodity prices. Telecommunication and select technology stocks are worth considering due to improved revenue growth dynamics and better cost controls. Lastly, certain Polish utility stocks are gaining attractiveness as the possibility of a coal asset spin-off gains traction once again.

Maintaining a long-term positive view on the entire region, Emerging Europe is seen as offering strong earnings growth potential supported by corporate governance standards like those of EU countries. This growth is underpinned by robust macro fundamentals that converge with the core Economic and Monetary Union (EMU). However, the region grapples with heightened political uncertainties, which are counterbalanced by attractive valuations and dividend yields.

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## HOLDINGS & TRANSACTIONS

### TOP 10 EQUITY

HOLDING	SECTOR	GROSS %
PKO BANK POLSKI SA (PKO PW)	Financials	9.12%
OTP BANK PLC (OTP HB)	Financials	6.23%
CEZ AS (CEZ CK)	Utilities	5.43%
OMV AG (OMV AV)	Energy	5.34%
POWSZECHNY ZAKLAD UBEZPIECZE (PZU)	Financials	5.32%
BANK PEKAO SA (PEO PW)	Financials	5.13%
ERSTE GROUP BANK AG (EBS AV)	Financials	4.84%
KOMERCNI BANKA AS (KOMB CK)	Financials	4.68%
DINO POLSKA SA (DNP PW)	Consumer Staples	4.03%
OMV PETROM SA (SNP RE)	Energy	3.80%
<b>Total Top 10 (%)</b>		<b>53.92%</b>
<b>Total Top 20 (%)</b>		<b>80.84%</b>

### TOP 3 SALES OVER THE LAST MONTH

SHELL PLC (SHELL NA)
SOCIETATEA NATIONALA DE GAZE (SNG)
OMV PETROM SA (SNP RE)

### TOP 3 PURCHASES OVER THE LAST MONTH

PORR AG (POS AV)
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## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	11.17	19.17	22.78	20.58
Standard Deviation Bmk	12.76	19.31	23.09	21.87
Tracking Error	2.96	2.10	2.95	4.14
Alpha	0.07	0.02	-0.00	-0.01
Beta	0.86	0.99	0.98	0.97
R-squared	0.96	0.99	0.98	0.98
Information Ratio	0.36	0.59	-0.06	0.16
Sharpe Ratio	2.13	0.66	0.23	0.19
Treynor Ratio	32.44	15.87	6.18	1.62
Sortino Ratio	4.71	1.02	0.33	0.28

### NUMBER OF STOCKS

	FUND	BENCHMARK
Number of Positions (ex derivatives)	44	83
Out of Benchmark positions	16	-
Active Share	19.68	-
Number of derivative positions	-	-
Total number of positions	44	83

### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-67.3
Peak to trough drawdown (dates)	Jul 07 - Mar 09
Length (in days)	595
Recovery Period (in days)	0
Worst Month	October 2008
Lowest Return	-29.8
Best Month	November 2020
Highest Return	21.0

### FINANCIAL RATIO - EQUITY

	FUND	BENCHMARK
P/Book value	-	0.97
P/E Ratio (current)	-	6.88
Dividend Yield (%) (current)	-	6.00
Average Market Cap (in M€)	7,682	2,737
Median Market Cap (in M€)	1,231	873

## BREAKDOWNS (Without derivatives exposure)

■ Fund ■ Benchmark ■ Relative

COUNTRY	%	RELATIVE
Poland	40.5% 45.7%	-5.2%
Austria	14.2% 10.3%	3.9%
Czech Republic	11.7% 15.1%	-3.4%
Hungary	11.4% 10.4%	1.1%
Romania	11.2% 9.7%	1.5%
Luxembourg	3.4% 3.4%	-0.1%
United Kingdom	3.0%	3.0%
Others	1.3% 5.3%	-4.0%
Cash	3.2%	

SECTOR	%	RELATIVE
Financials	46.2% 46.4%	-0.2%
Energy	16.4% 13.8%	2.6%
Utilities	10.4% 14.3%	-3.9%
Consumer Discretionary	7.5% 7.1%	0.4%
Materials	4.2% 4.5%	-0.3%
Consumer Staples	4.2% 3.3%	0.9%
Communication Services	3.3% 1.3%	2.0%
Others	4.6% 9.2%	-4.6%
Cash	3.2%	

CURRENCY	%	RELATIVE
PLN	44.5% 49.7%	-5.2%
EUR	19.8% 15.0%	4.8%
RON	12.5% 9.5%	3.0%
CZK	11.7% 15.1%	-3.4%
HUF	11.4% 10.4%	1.1%
TRY	0.0%	0.0%
BGN	0.0%	0.0%
Others	0.0% 0.3%	-0.3%

MARKET CAP	%	RELATIVE
Over 30 bn	3.0%	3.0%
5-30 bn	13.0% 9.1%	3.9%
Under 5 bn	80.8% 86.0%	-5.2%
No Market Cap	4.9%	-4.9%
Cash	3.2%	

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The above holdings are neither representative of the overall portfolio's 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.

## Important Information

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