

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
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	03/07/2006
SHARE CLASS LAUNCH DATE	11/10/2006
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
SUB FUND CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas SA/Luxembourg
ISIN	LU0260160378
BLOOMBERG CODE	GENENRS LX

VALUATION

AUM	107.58 M EUR
NAV PER SHARE	109.25 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	110.63 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	103.18 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 outperform the €STR Index over medium term under all market conditions pursuing an absolute return strategy. To achieve its objective, the Fund performs an active asset allocation into a diversified portfolio of debt related securities consisting of fixed rate and floating rate bonds of primarily public sector and sovereign issuers, money market instruments, as well as equities, UCITS, UCIs and Exchange Traded Funds on major markets and currencies. In case the Investment Manager has a negative view on a particular asset class, it may implement a synthetic short position through the use of derivatives. The max exposure of the following asset classes in relation to the NAV will be: - 100% in unhedged currency exposure - 50% in equities - 40% in money market instruments - 70% in corporate bonds having Investment Grade Credit Rating - 35% in emerging markets bonds - 35% in derivatives based on eligible financial indices on commodities.

KEY FEATURES

- Top-down macroeconomic approach to identify market trends and fundamental analysis to support stock selection
- Strategy 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

CATEGORY AND RISK PROFILE

CATEGORY	Absolute Return					
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)	5.0%
MAX. MANAGEMENT FEE P.A. (AS PER THE PROSPECTUS)	1.10%
MANAGEMENT FEES AND OTHER ADMINISTRATIVE OR OPERATING COSTS P.A.	1.38%
EXIT COST (MAX)	0.0%
PERFORMANCE FEE	20%

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	-1.24	1.53	0.26	4.43	0.73	-1.17	0.24	-0.23	-8.18	-0.85	9.25	0.50

CALENDAR YEAR PERFORMANCES (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Portfolio	7.56	-6.75	-3.85	-0.06	5.06	-5.32	0.43	0.77	-0.60	-4.15

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	4.43	1.46	-4.94	-2.50	0.64	-2.22	1.08	0.35	-2.29	-4.14

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

Portfolio Activity

In April, the Fund (class AY) posted a loss of 1.17% as higher rates in both developed and local-currency Emerging Markets bonds weighed on the performance.

In the equity space, we keep a moderately prudent stance, with an overall net allocation of 6.1%. The core portfolio remained invested in a basket of European names, maintaining a high-profitability and low-leverage bias and a pro-ESG selection stance. The satellite part is invested in ETFs mirroring the US, Japanese and EM markets.

In the fixed income, we extended duration in HUF-denominated government and BRL-denominated supranational bonds and switched from the lower yielding Slovenia to Cassa Depositi Prestiti 2030. We also increased exposure to Hungary EUR-denominated 2033 bond. The Fund ended the month with an exposure of 21.5% to developed government bonds and supranational in hard currency (including short-dated Italian and German bonds, Italian inflation linkers and selected countries offering a decent spread over Bunds like Iceland, Latvia and Lithuania). The exposure to EM bonds (including supranational bonds in EM currencies) was increased to 25.9%. We have positions both in hard currency (16.2%, with Romania EUR-denominated bonds being the largest exposure) and in EM local currency (9.7%, we invest in HUF, BRL, COP, MXN, ZAR). The exposure to credit decreased slightly to 33.0%. We maintained a good degree of diversification outside EUR bonds, with 26% of the credit portfolio and 23% of the credit duration exposure were invested in bonds in AUD, GBP, USD and ZAR (mostly currency hedged).

On the derivative side, the positioned implemented contributed negatively to the overall performance as yields rose sharply, with US Treasuries underperforming. During the month, we tactically traded a re-steepening of the US curve on the 5-30Y segment (as the spread hit the zero area) and we increased exposure to 10-year BTPs as yields moved higher. At the end of the period, we kept the relative box with long legs in 10-year US Treasuries and UK Gilts vs short positions in 10-year BTPs and 30-year German Bund. The outright position in 10-year BTP (increased in the month), if added to the box just described, neutralizes the net position in Italian bonds.

Duration was increased, reaching 3.90 years vs 3.56 years before. At the end of the period, the Fund had a long duration exposure to corporate bonds (+0.94 years), EM bonds (+1.58 years in total, +0.91 in hard currency, +0.67 in local currency), US Treasuries (+0.94) and UK Gilts (+0.96) and Italian BTPs (+0.22). We had short positions to German Bunds (-0.94). On FX, we tactically hedged positions in ZAR as the currency appreciated. We kept long positions to BRL (1.4%), JPY (1.1%), COP (1.0%) and HUF (1.0%). We were neutral on GBP, while we had short positions to USD (-0.9%), EUR (-1.4%) and CHF (-2.6%).

Outlook

Interest rates resumed the upward movement seen since the start of the year as higher-than-expected inflation data in the US, coupled with a resilient growth backdrop, led to a significant repricing of expectations over Fed rate cuts this year. Equity markets retraced lower, ending the prolonged rally seen since October 2023, with multiples contracting due to the increase in real yields. The significant decline in excess liquidity in the US also contributed negatively. On the credit front, spreads remained little changed, with overall performances impacted only by the increase in the underlying core yields.

The economic outlook remains a complex one. Growth numbers remain elevated in the US (although macro surprises deteriorated markedly in the month) and in Europe we see signs of a reacceleration (from low levels). On the inflation side, numbers are not supportive in the US (fading favorable base effect on energy, rebound in non-shelter services inflation, pause in the decline in house-related items), while they look somewhat better in Eurozone. However, also in this case, services inflation remained elevated, in line with high wage pressures resulting from record-low unemployment levels. The ECB stated it is open to rate cuts as early as in June, while Fed officials downgraded the case for rate cuts this year. In the background, falling excess liquidity in the US needs to be monitored. A reduction in the pace of Quantitative Tightening, as discussed by several FOMC members, would ease the negative implications for risky assets.

Following the further repricing in yields, with Fed rate cut expectations for 2024 and 2025 being significantly reduced, we see scope for a somewhat more aggressive stance on duration, both on developed and Emerging Market local bonds, as the medium-term outlook looks favorable given the high level of current yields. Relative trades (like US and UK vs Germany and Italy) or curve steepening trades can also be considered as ways to increase duration, next to outright long positions. With regard to carry strategies, spreads remained compressed, but we still see value in short-to-medium-dated corporate bonds, especially in the Eurozone. As said, EM local-currency bonds also look attractive, as yields repriced higher. We like in particular Brazil, Mexico, Hungary and South Africa, although we prefer to largely hedge the FX risk in the near term. On equities we keep a medium-term prudent stance. While valuations have eased somewhat, they remain elevated in historical terms, and falling excess liquidity in the US represents a key downside risk.

HOLDINGS & TRANSACTIONS

TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
GERMAN T-BILL 0 06/19/24	Sovereigns	AAA	6.48%
BOTS 0 06/14/24	Sovereigns	BBB	3.70%
BTPS 1.6 06/28/30	Sovereigns	BBB	2.88%
HUNGARY 5.375 09/12/33	Sovereigns	BBB	1.99%
CORP ANDINA FOM 1.625 06/03/25	Supranationals	AA-	1.84%
AFRICA FINANCE 3.125 06/16/25	Supranationals	A-	1.70%
ICELAND (REP OF) 0 04/15/28	Sovereigns	A	1.62%
COM BK AUSTRALIA 9 04/18/28	Financials	A+	1.53%
INTL FIN CORP 0 01/27/37	Supranationals	AAA	1.49%
UNITED MEXICAN 2.375 02/11/30	Sovereigns	BBB	1.45%
Total Top 10 (%)			24.67%
Total Top 20 (%)			35.93%

TOP 10 EQUITY

HOLDING	SECTOR	GROSS %
NOVO NORDISK A/S-B (NOVOB DC)	Health Care	0.47%
ASML HOLDING NV (ASML NA)	Information Technology	0.42%
SHELL PLC (SHEL LN)	Energy	0.33%
ASTRAZENECA PLC (AZN LN)	Health Care	0.30%
SAP SE (SAP GY)	Information Technology	0.28%
TOTALENERGIES SE (TTE FP)	Energy	0.28%
NESTLE SA-REG (NESN SE)	Consumer Staples	0.23%
ALLIANZ SE-REG (ALV GY)	Financials	0.21%
IBERDROLA SA (IBE SM)	Utilities	0.20%
RELX PLC (REL LN)	Industrials	0.19%
Total Top 10 (%)		2.90%
Total Top 20 (%)		4.42%

TOP 3 SALES OVER THE LAST MONTH

FIXED INCOME
INT BK RECON&DEV 5 01/22/26
HUNGARY GOVT 2.5 10/24/24
REP OF SLOVENIA 0.875 07/15/30

TOP 3 PURCHASES OVER THE LAST MONTH

FIXED INCOME
CASSA DEPOSITI E 4.75 10/18/30
HUNGARY 5.375 09/12/33
HUNGARY GOVT 2 05/23/29

TOP 3 SALES OVER THE LAST MONTH

EQUITY
UNICREDIT SPA (UCG IM)
ZURICH INSURANCE GROUP AG (ZURN)
INTESA SANPAOLO (ISP IM)

TOP 3 PURCHASES OVER THE LAST MONTH

EQUITY
ASTRAZENECA PLC (AZN LN)
UNILEVER PLC (ULVR LN)
HERMES INTERNATIONAL (RMS FP)

PORTFOLIO BREAKDOWNS (Without derivatives exposure)

■ Fund

ASSET CLASS	%
Government	46.3%
Corporate	30.1%
Equities	16.9%
Cash & Cash Equivalent	6.9%
Others	-0.2%

CURRENCY	%
EUR	93.2%
GBP	3.1%
USD	2.1%
BRL	1.4%
Others	0.2%

RATIOS

PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	4.01	3.97	3.68	3.96
Sharpe Ratio	0.20	-0.33	-0.26	-0.19
Sortino Ratio	0.46	-0.55	-0.38	-0.27

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-18.5
Peak to trough drawdown (dates)	Jun 14 - Oct 22
Length (in days)	3,045
Recovery Period (in days)	0
Worst Month	July 2010
Lowest Return	-4.7
Best Month	March 2009
Highest Return	3.7

PORTFOLIO RISK RATIO

	FUND
VaR (99% - 20days)	2.55

FINANCIAL RATIO - EQUITY

	FUND
P/Book value	-
P/E Ratio (current)	-
Dividend Yield (%) (current)	2.55
Average Market Cap (in M€)	45,728
Median Market Cap (in M€)	22,588

FINANCIAL RATIO - FIXED INCOME

	FUND
Z-Spread	151.08
DTS (Duration Times Spread)	386.42
Average Rating (2nd best)	BBB+
Modified Duration	3.50
Effective Duration FI	4.83
Average Time to Maturity	3.67
Yield to Maturity	6.27
Current Yield	2.55
Average Coupon	2.45

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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.

EQUITY BREAKDOWNS (Without derivatives exposure)

■ Fund

COUNTRY	%
Ireland	24.7%
United Kingdom	15.6%
France	12.0%
Germany	10.5%
Luxembourg	7.8%
Switzerland	7.6%
Netherlands	6.2%
Others	15.6%

SECTOR	%
Funds	31.4%
Financials	13.8%
Consumer Staples	9.6%
Industrials	8.6%
Consumer Discretionary	7.5%
Health Care	7.3%
Information Technology	6.4%
Others	15.2%

MARKET CAP	%
Over 30 bn	45.0%
5-30 bn	34.3%
Under 5 bn	20.7%

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FIXED INCOME BREAKDOWNS (Without derivatives exposure)

■ Fund

COUNTRY	%
Italy	16.2%
Supranational	13.7%
Germany	10.1%
Hungary	6.0%
Ireland	5.5%
Romania	5.0%
Australia	4.8%
Others	38.8%

SECTOR	%
Sovereigns	44.0%
Financials	24.6%
Supranationals	13.7%
Funds	4.9%
Utilities	4.1%
Real Estate	2.3%
Communication Services	1.5%
Others	4.9%

RATINGS (2ND BEST)	%
AAA	17.4%
AA	2.3%
A	20.0%
BBB	45.0%
BB	9.9%
NR	0.6%
Not Available	4.9%

MATURITY	%
0-1Y	16.1%
1-3Y	23.0%
3-5Y	21.1%
5-10Y	25.5%
10-20Y	5.6%
Over 20Y	3.8%
Not Available	4.9%

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