

# Epsilon Fund - Q-Flexible R, EUR Accumulation



Data as of 03/31/2024

This Sub-Fund is managed by Eurizon Capital S.A.

<b>NAV (in EUR)</b>	166.70	<b>Fund Size (in EUR)</b>	1,290 mil	<b>Class Unit Inception Date</b>	10/13/2008
<b>Morningstar Rating <sup>TM</sup></b>	★★★	<b>Fund Manager</b>	Maria Bruna Riccardi	<b>Number of Holdings</b>	148
Morningstar Rating <sup>TM</sup> referred to 02/29/2024					

## Investment / Performance Objectives & policy

The fund mainly invests, either directly or through derivatives, in equities and corporate and government bonds denominated in any currency that are investment grade. These investments may be from anywhere in the world, including emerging markets. Specifically, the fund normally invests in equities and equityrelated instruments and debt and debt-related instruments, including convertible bonds and money market instruments. The asset allocation among each asset classes may range from 0% to 100% of total net assets. The fund may invest in the following asset class up to the percentage of total net assets indicated:

- emerging market equities: 10% (as from 16 January 2024)
- deposits in any currency: 20%
- units of UCITS and other UCIs: 10%

The fund does not invest in asset-backed securities or mortgagebacked securities, but may be indirectly exposed to them (maximum 10% of totalnet assets).

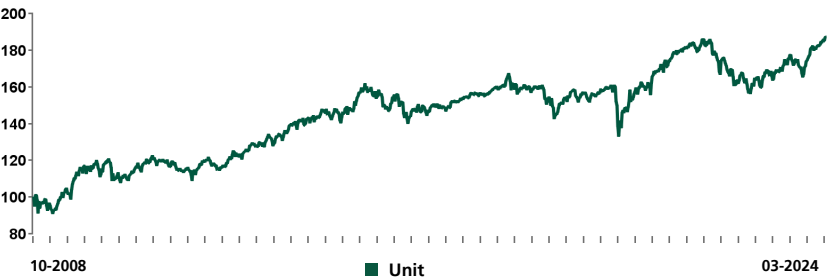
For more information read the Prospectus or Key Information Document (KID).

## Benchmark

It should be noted that no meaningful benchmark comparison is possible in connection with this type of product, therefore no benchmark has been identified.

## Performance and NAV Evolution\*

### NAV Evolution since launch



### Cumulative and Annualized Performance

	Unit	
	Cumulative	Annualized
<b>YTD</b>	2.96%	-
<b>1M</b>	1.70%	-
<b>3M</b>	2.96%	-
<b>1Y</b>	11.60%	-
<b>3Y</b>	6.74%	2.20%
<b>5Y</b>	21.10%	3.90%
<b>Since Launch</b>	77.81%	3.79%

### Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
<b>Annualized Volatility Unit</b>	6.87%	6.93%	8.02%	10.26%	9.63%
<b>Sharpe Ratio</b>	2.44	1.24	0.17	0.35	0.35
<b>Max Drawdown</b>	-3.26%	-6.21%	-15.61%	-17.08%	-19.59%
<b>Recovery Period (days)</b>	12	29	361	106	166

### Annual Performance (Calendar Year)

Unit	
<b>2023</b>	13.74%
<b>2022</b>	-13.92%
<b>2021</b>	9.58%
<b>2020</b>	6.42%
<b>2019</b>	9.72%

\*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case).  
Reference period: YTD (year to date) from 01/01/2024 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

## Risk and Reward Profile



The risk indicator assumes you keep the product for 5 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions are could impact the capacity to pay you.

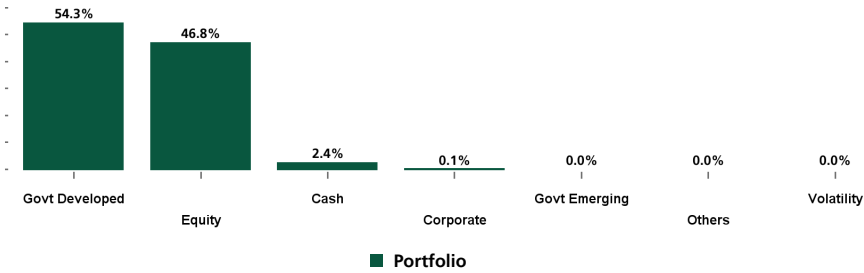
For any further details on investment risks, please refer in particular to the Risks section of the Fund's Prospectus.

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## Portfolio Information

### Asset Breakdown\*



\*The Corporate asset class may include issues by local agencies or authorities that are equivalent to Corporate instruments issued in terms of creditworthiness. The Developed Governments asset class may include derivative financial instruments on interbank rates.

Derivatives	Weight
Currency	-3.29%
Equity	-5.15%
Interest rate	8.94%

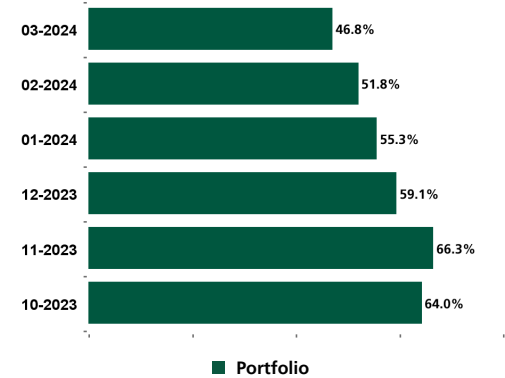
### Top 5 holdings (Bond)

	Weight
FUT EURO-BUND FUTURE Jun24	5.80%
BOTS 0 05/31/24	5.76%
BOTS 0 07/31/24	5.73%
BOTS 0 09/30/24	5.72%
BTF 0 04/17/24	5.51%

### Top 5 holdings (Equity)

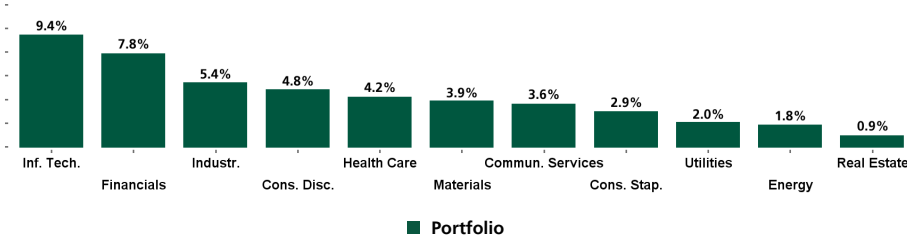
	Weight
FUT S&P500 EMINI FUT Jun24	12.98%
FUT MSCI EmgMkt Jun24	5.01%
ASML HOLDING NV	3.31%
FUT NIKKEI 225 (OSE) Jun24	2.21%
SAP SE	2.09%

### Equity Exposure Evolution



Market Cap	Weight
> 10 billion	94.42%
5-10 billion	4.80%
1-5 billion	0.78%
0-1 billion	-

### Sector Breakdown (Equity)

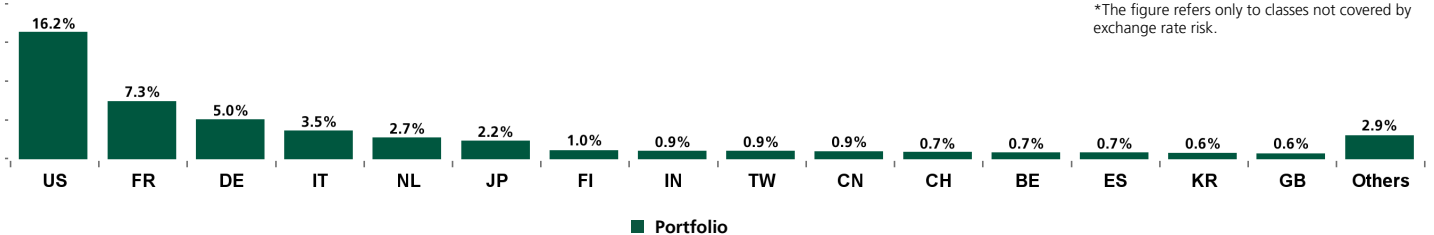


### Currency Risk Exposure\*

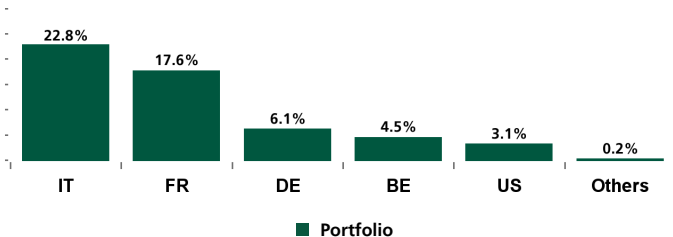
	Portfolio
JPY	1.24%
SEK	1.07%
NOK	0.96%
GBP	-1.52%
CHF	-3.05%
USD	-4.63%
Others	5.10%

\*The figure refers only to classes not covered by exchange rate risk.

### Geographical Breakdown (Equity)



### Geographical Breakdown by Issuer



The sum of the weights represents the total bond exposure, including derivative instruments.

Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

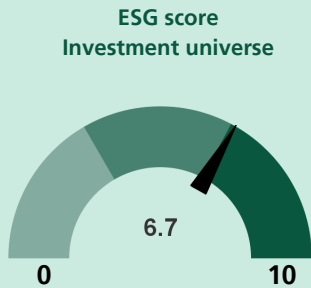
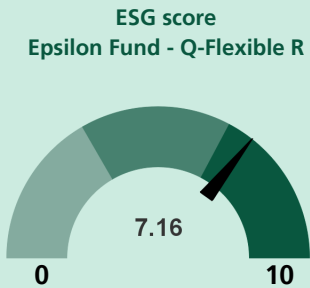
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Data as of 03/31/2024

Sustainability characteristics

ESG score

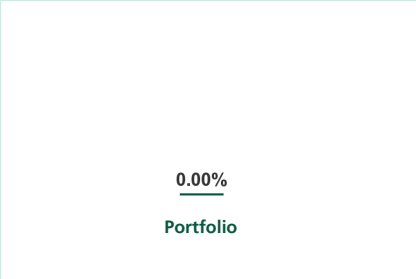
The ESG score considers environmental, social and governance factors based on data on the individual issuer provided by MSCI ESG, which are then aggregated according to the underlying securities in the portfolio. The same methodology is also applied to the product's investment universe.



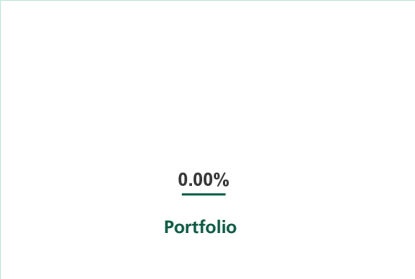
**SFDR Category**  
**Article 8**

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.

**Percentage of issuers involved in controversial sectors**



**Percentage of critical issuers**



Values other than zero may be due to (i) discontinued issuers, in the best interest of participants and in accordance with current legislation, (ii) issuers for which an engagement activity is in progress or (iii) indirect exposures.

Source: Internal processing of data provided by MSCI ESG Research  
Survey period: 12-month rolling average

Appendix

Percentage of issuers involved in controversial sectors

Issuers operating in sectors deemed controversial (not "socially responsible"), to which restrictions or exclusions apply with respect to the entirety of the individual assets under management, are companies (i) that have a clear direct involvement in the manufacture of unconventional weapons; (ii) at least 25% of whose turnover is generated from thermal coal mining or power generation activities; (iii) at least 10% of whose turnover is generated from the exploitation of oil sands.

More specifically, unconventional weapons are understood as: anti-personnel mines; cluster bombs; nuclear weapons\*; impoverished uranium; biological weapons; chemical weapons; stealth cluster bombs; blinding lasers; incendiary weapons; white phosphorus.

These provisions do not apply to the activities permitted by the following treaties and/or conventions:

- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; the Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster bombs;
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons;
- The Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons;
- Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons;

These exclusions are also intended to comply with the requirements established by Law no. 220 of 9 December 2021 on measures to counter the financing of companies producing antipersonnel mines, cluster bombs and submunitions.

\*With regard to exclusions on nuclear weapons, issuers based in states that have adhered to the "Nuclear Non-Proliferation Treaty" stipulated on 1 July 1968 are not considered.

Percentage of critical issuers

"Critical" issuers are those companies having a higher exposure to environmental, social and corporate governance risks, i.e. which have a lower ESG sustainability rating level (equal to "CCC" assigned by the specialized info-provider) in the equity and bond investment category and for which an escalation process has been activated, or is being assessed, which determines restrictions and/or exclusions with respect to the entirety of the individual assets under management ("ESG Binding screening").

Percentage of issuers selected on the basis of positive and negative criteria

The weighting of issuers that comply with the specific positive and negative selection criteria identified by the Product, i.e. (i) issuers of green/sustainable bonds and (ii) companies publicly engaged in the energy transition process, particularly through the progressive reduction in Scope 1 and Scope 2 emissions to reach climate neutrality by 2050 ("Net Zero" goal).

Percentage of assets in government issuers meeting the screening criteria

The weight of government issuers that meet the selection criteria defined on the basis of the indicators of the "Sustainable Development Report" and Regulation (EU) 2019/2088 to monitor the principal adverse impacts relating to government issuers.

Percentage of assets in ESG or sustainable investment type UCIs

This is understood as assets of UCITS that promote environmental and/or social characteristics pursuant to Article 8 of Regulation 2019/2088 or which pursue sustainable investment objectives pursuant to Article 9 of said Regulation.

Carbon footprint

The value represents tonnes of carbon dioxide (direct - Scope 1 and indirect - Scope 2) of the investee companies in relation to their turnover.

Sustainable investment

Weighting (i) of issuers with net positive alignment with at least 1 of the United Nations' 17 Sustainable Development Goals (SDG) and no misalignment with any of the SDGs and (ii) of green, social and sustainability bonds.

Data as of 03/31/2024

Investment Manager Commentary

Market Development

March was a very positive month for almost all equity markets, starting with the Eurozone indices, which rose by over 4% (4.4% for the EuroStoxx 50 index). Japan (+3.7% for the Nikkei 225 index) and the United States (+3.2% for the S&P 500 index) also posted positive performances. The laggard was the MSCI Emerging Market Net Total Return index, which rose by 2.2%.

Performance and Investment Choices

For March, the Tactical Asset Allocation model (used to determine the target weighting of equities in the portfolio) confirmed a cautious positioning, particularly for the US. As a result, the overall weighting was reduced by around 6% over the first ten days of the month (from around 52% to around 46%), with the US exposure reduced by around 11% (from 26% to around 15%) and the Eurozone gaining 5% (from 18% to around 23%). The weightings of Japan (around 2%) and emerging markets (around 5%) remained unchanged.

In terms of strategy, a basket of Euro securities was selected through a relative-value quantitative model with the aim of achieving a better return than the reference index. Its weighting averaged around 47% and was partially hedged by selling futures contracts on the Euro Stoxx 50 index.

On the other hand, for the US, Japan and Emerging Markets, no securities were purchased, with derivative contracts being preferred on the S&P 500 Index, the Nikkei Index and the MSCI Emerging Markets Index, respectively.

Regarding the bond component, based on the model's forecast for the evolution of yields in the core countries (Germany and the United States) over the medium to long term, duration was reduced from 2 years to 8 months overall, with the contribution from German 10-year bonds decreasing (to 6 months) and that from US 10-year bonds increasing (to around 2 months).

The Fund performed well, mainly due to its asset allocation.

While the contribution of positioning (which was cautious on average) was limited, geographical selection, with a relative preference for the Euro zone over the US, added significant value. Investments in 10-year government bonds did not make a significant contribution; their reduction helped to limit the volatility of US yields. Currency management made a small positive contribution, while the selection of Eurozone securities made a negative contribution.

Outlook and Investment Strategy

Preliminary estimates for April from the Tactical Asset Allocation model suggest an improvement in results, particularly for the Eurozone and Japan. Therefore, the overall weight will tend to increase.

Source: Epsilon SGR S.p.A., the Investment Manager of the Sub-Fund.

This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.

Fund Overview

Legal Status	Fonds Commun de Placement (FCP)/UCITS
Home jurisdiction of the Fund	Luxemburg
ISIN Code	LU0365359032
Class Unit Inception Date	10/13/2008
Valuation	Daily
Bloomberg Code	ESQFLER LX
Entry costs	Max 2.50%
Exit costs	-
Management fees and other administrative or operating costs	1.82% (of which management commission constitutes 1.60%)
Transaction costs	0.02%
Performance fees	The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund's hurdle rate. The actual amount will vary depending on how well your investment performs
Minimum amount	500 EUR (50 EUR if the Paying Agent is State Street Bank International GmbH - Italian Branch).
Taxes	The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor.
Management Company	Eurizon Capital S.A.
Investment Manager of the Sub-Fund	Epsilon SGR S.p.A.
Category	EUR FLEXIBLE ALLOCATION - GLOBAL

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.

Data as of 03/31/2024

## Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website [www.eurizoncapital.com](http://www.eurizoncapital.com). These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request.

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## IMPORTANT INFORMATION

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

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