

# GENERALI INVESTMENTS SICAV

## EURO BOND 1-3 YEARS - DY

### 30 July 2021



Marketing communication for Professional investors

#### KEY DATA

<b>MANAGEMENT COMPANY</b>	Generali Investments Luxembourg S.A.
<b>INVESTMENT MANAGER</b>	Generali Investments Partners S.p.A Società di gestione del risparmio
<b>FUND MANAGER</b>	Mauro VALLE
<b>BENCHMARK</b>	100% JPM EMU GOVERNMENT 1-3Y (TR)
<b>FUND TYPE</b>	Sicav
<b>DOMICILE</b>	Luxembourg
<b>SUB-FUND LAUNCH DATE</b>	05/11/2008
<b>SHARE CLASS LAUNCH DATE</b>	28/05/2010
<b>FIRST NAV DATE AFTER DORMANT PERIOD</b>	27/03/2019
<b>CURRENCY</b>	Euro
<b>CUSTODIAN BANK</b>	BNP Paribas Securities Services Luxembourg
<b>ISIN</b>	LU0396183625
<b>BLOOMBERG CODE</b>	GEBOTDD LX
<b>VALUATION</b>	
<b>AUM</b>	730.25 M EUR
<b>NAV PER SHARE</b>	100.85 EUR
<b>HIGHEST NAV OVER THE LAST 12 MONTHS</b>	101.50 EUR
<b>LOWEST NAV OVER THE LAST 12 MONTHS</b>	100.46 EUR
<b>FEES</b>	
<b>SUBSCRIPTION FEE</b>	max. 5%
<b>MANAGEMENT FEE</b>	0.5000%
<b>CONVERSION FEE</b>	max. 5%
<b>REDEMPTION FEE</b>	max. 3%
<b>PERFORMANCE FEE</b>	n.a.
<b>ONGOING CHARGES</b>	0.6800%

#### CATEGORY AND RISK PROFILE

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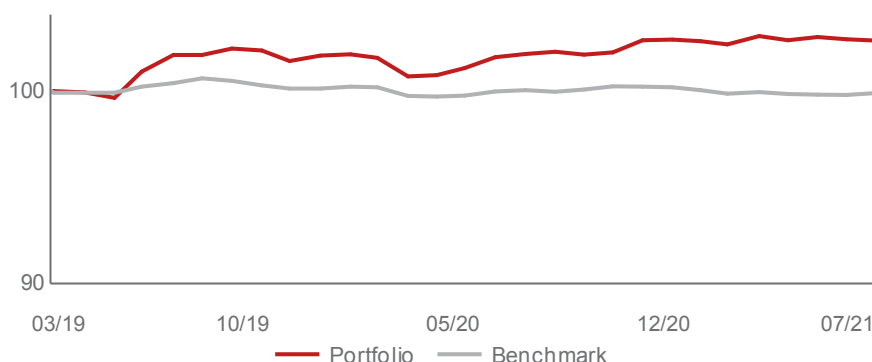
1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards

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 denominated in Euro resulting in a weighted average portfolio maturity ranging from 1 to 3 years. The Fund shall essentially invest in debt securities denominated in Euro with Investment Grade Credit Rating. The Fund shall mainly invest in government bonds. The Fund may invest on an ancillary basis in money market instruments and bank deposits and hold on an ancillary basis government agencies, local authorities, supranational, corporate bonds and asset-backed securities having Investment Grade Credit Rating, denominated in Euro. 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 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
Portfolio	-0.06	-0.04	0.69
Benchmark	0.10	-0.31	-0.16
Excess return	-0.16	0.28	0.85

	SI	SI P.A.	2020
Portfolio	2.66	1.13	0.82
Benchmark	-0.08	-0.03	0.08
Excess return	2.74	1.16	0.73

	07/21-07/20	07/20-07/19
Portfolio	0.69	0.06
Benchmark	-0.16	-0.37
Excess return	0.85	0.43

#### KEY FEATURES

- Invests mainly in Euro area government bonds, focusing on the 1/3 years bucket of the yield curve
- Portfolio management implemented through duration strategies and curve positioning
- Risk-controlled approach with active management of country risk exposure
- Does not take bets on non-Euro currencies which, in case, represent a marginal share of the portfolios, both in terms of risk and performance contribution

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](http://www.generali-investment.com)

## FUND MANAGER'S COMMENTS

### Market View

The path to normalcy of many economies has been disrupted by a global surge in coronavirus cases caused by the highly contagious Delta Variant. Europe's tourism sector is at risk as Spain, Portugal and Greece register a spike in cases, and adopt measures accordingly. The US will not lift travel restrictions either, whilst the UK government opened its borders to fully vaccinated travellers from the U.S. and the European Union. Above the spread of COVID-19, Europe is now worrying about floods too as the death toll reaches 188.

In July, the US Composite PMI further decreased to 59.7, moving further apart from May's record high of 68.1. The Services PMI (59.8) has fallen for 2 months in a row, amid labour shortages and declining consumer sentiment (down 5 pts). Despite PMIs being in expansionary territory, US GDP growth (6.5% annualized) in Q2 was below expectations. This month, as unemployment reached 5.9% and inflation registered its fastest gain since 1991 (3.5% yoy), Chairman Powell said the Fed is 'away from making substantial progress towards stable prices and maximum employment'. Accordingly, the Fed took a dovish stance, maintaining interest rates anchored near zero, yet rate hike expectations have been rising further.

In the Euro Area, business conditions appear stronger than in the US, with the Composite PMI up to 60.6 in July from 59.5 last month, reaching its steepest pace in 15 years. Both manufacturing and services PMI are in expansion but still constrained by supply shortages. In the second quarter, GDP across the European Union rose by 13.2% compared with the same period last year, but European GDP has yet to return to its pre-pandemic level. The ECB maintains a 'persistently accommodative' stance and, in order to tackle growth and unemployment without having to worry too much about inflationary pressures, it has adjusted its inflation target to a symmetric 2% from 'below but close to 2%'.

In the past month, there has been a decrease in benchmark yields, with the US 10-year yield falling by 20 bps to 1.24% and the 10-year Bund by 26 bps to -0.46. Non-core spreads have slightly increased, with the BTP-Bund spread up by 6 bps, reaching 109 and the Bonos-Bund spread by 10 bps to 73.

### Portfolio Activity

During the month the portfolio maintained the overall short of duration vs benchmark, with no meaningful change in exposure to German rates and peripherals ones. The view is to have a quite defensive portfolio because, after the summer break, the rates should find an equilibrium at higher levels, due to the economic growth and an inflation level over the 2% in second half of the year, besides a less dovish attitude of Central Banks.

### Outlook

In the next weeks the Bund rates should move in the range seen in the last weeks, but the opinion is always that that levels are too low. The Central Banks in September will have to face the tapering issues (FED) and manage the PEPP final period (ECB). The economy should improve as expected in the summer months, also if the impact of the delta variant is representing a risk, and inflation is expected to increase in the last months of the 2021.

In the coming days, the portfolio will continue to underweight the overall duration; the underexposure should be reduced if core rates will move well inside the range of the past months. The positioning in peripherals countries will be always overweighted.

## HOLDINGS & TRANSACTIONS

### TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
BTPS 1.85 05/15/24	Sovereigns	BBB-	4.37%
BTPS 1.75 07/01/24	Sovereigns	BBB-	4.36%
CCTS EU 01/15/25	Sovereigns	BBB-	4.34%
BTPS 0.95 09/15/27	Sovereigns	BBB-	3.61%
BTPS 4.5 03/01/24	Sovereigns	BBB-	3.13%
BTPS 0.35 02/01/25	Sovereigns	BBB-	3.08%
HELLENIC REPUBLI 0 02/12/26	Sovereigns	BB	2.83%
HELLENIC REPUBLI 3.375 02/15/25	Sovereigns	BB	2.82%
BTPS 0 04/15/24	Sovereigns	BBB-	2.76%
BTPS 2.5 11/15/25	Sovereigns	BBB-	2.76%
<b>Total Top 10 (%)</b>			<b>34.04%</b>
<b>Total Top 20 (%)</b>			<b>55.32%</b>

### TOP 3 SALES OVER THE LAST MONTH

BTPS 0.3 08/15/23
PORTUGUESE OT'S 2.125 10/17/28
BTPS 1.7 09/01/51

### TOP 3 PURCHASES OVER THE LAST MONTH

BTPS 0 01/30/24
BTPS 1.4 05/26/25
BTPS I/L 0.1 05/15/23

## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	SI
Standard Deviation Ptf	0.96	1.76
Standard Deviation Bmk	0.35	0.69
Tracking Error	0.88	1.31
Alpha	0.02	0.01
Beta	1.08	1.97
R-squared	0.16	0.59
Information Ratio	0.96	0.88
Sharpe Ratio	1.27	0.88
Treynor Ratio	0.95	0.58
Sortino Ratio	2.35	1.44

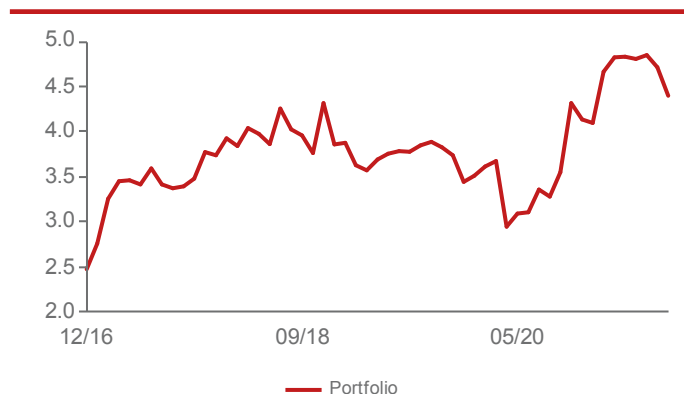
### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-2.2
Peak to trough drawdown (dates)	Sep 19 - Apr 20
Length (in days)	210
Recovery Period (in days)	196
Worst Month	March 2020
Lowest Return	-0.9
Best Month	June 2019
Highest Return	1.4

### FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	54.30	11.75
DTS (Duration Times Spread)	248.97	-
Average Rating (2nd best)	BB+	A+
Modified Duration	4.40	1.72
Effective Duration	1.10	1.72
Average Time to Maturity	4.99	1.79
Yield to Maturity	0.29	0.62
Current Yield	1.34	0.20
Average Coupon	1.50	1.97

### MODIFIED DURATION EVOLUTION



## BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET	RELATIVE
Italy	81.3% 25.7%	55.5%
Greece	11.6%	11.6%
Spain	1.7% 11.8%	-10.1%
Portugal	1.4% 2.4%	-1.0%
Ireland	0.7% 1.8%	-1.0%
Germany	0.1% 20.0%	-19.9%
France	0.1% 24.9%	-24.8%
Others	13.5%	-13.5%
Cash	3.2%	

RATINGS (2ND BEST)	NET	RELATIVE
AAA	0.1% 23.9%	-23.8%
AA	0.1% 34.5%	-34.4%
A	2.4% 13.5%	-11.1%
BBB	82.6% 28.1%	54.6%
BB	11.6%	11.6%
Cash	3.2%	

SECTOR	NET	RELATIVE
Sovereigns	96.8% 100.0%	-3.2%
Cash	3.2%	

MATURITY	NET	RELATIVE
0-1Y	19.1%	-19.1%
1-3Y	43.5% 80.9%	-37.3%
3-5Y	33.4%	33.4%
5-10Y	11.0%	11.0%
10-20Y	4.8%	4.8%
Over 20Y	4.1%	4.1%
Cash	3.2%	

#### 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](http://www.generali-investments.com)), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website ([www.generali-investments.lu](http://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.

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