

# GENERALI INVESTMENTS SICAV

## EURO AGGREGATE BOND - BX

### 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>	50% BOFA ML EMU DIRECT GOVERNMENT (TR) + 50% BOFA ML EMU CORPORATE (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>	05/11/2008
<b>FIRST NAV DATE AFTER DORMANT PERIOD</b>	No dormant period
<b>CURRENCY</b>	Euro
<b>CUSTODIAN BANK</b>	BNP Paribas Securities Services Luxembourg
<b>ISIN</b>	LU0396184359
<b>BLOOMBERG CODE</b>	GEBTFBC LX

#### VALUATION

<b>AUM</b>	255.76 M EUR
<b>NAV PER SHARE</b>	159.84 EUR
<b>HIGHEST NAV OVER THE LAST 12 MONTHS</b>	159.84 EUR
<b>LOWEST NAV OVER THE LAST 12 MONTHS</b>	155.19 EUR

#### FEES

<b>SUBSCRIPTION FEE</b>	max. 5%
<b>MANAGEMENT FEE</b>	0.1500%
<b>CONVERSION FEE</b>	max. 5%
<b>REDEMPTION FEE</b>	max. 1%
<b>PERFORMANCE FEE</b>	n.a.
<b>ONGOING CHARGES</b>	0.3200%

#### CATEGORY AND RISK PROFILE

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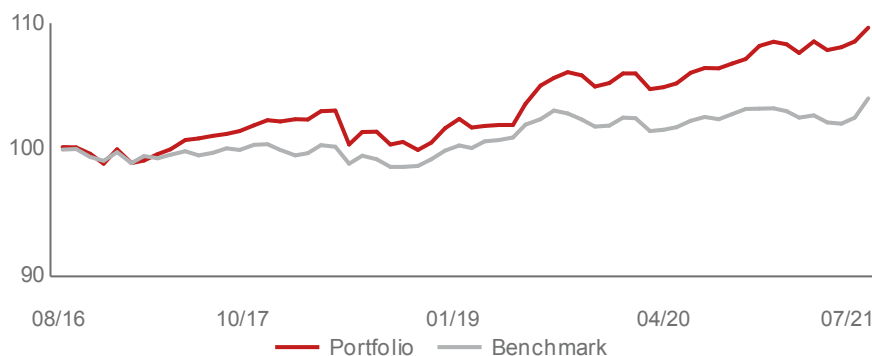
1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards

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. The Fund shall essentially invest in debt securities denominated in Euro with an Investment Grade Credit Rating. The Fund may invest on an ancillary basis in money market instruments and bank deposits. The Investment Manager is allowed to make investments on an ancillary basis in securities with a Sub-Investment Grade Rating and/or issued by issuers located in Emerging Markets. A maximum of 15% of the assets may be invested in convertible bonds. The Fund may also hold distressed/defaulted securities (being securities having a rating CCC+ or below) as a result of the downgrading of the issuers. The unhedged non-euro currency exposure cannot exceed 20% of the net assets of the Fund. The Fund may also invest into "Rule 144A" and/or Regulation S securities. The Fund may use CDS. The Investment Manager has full discretion over the composition of the portfolio. The Benchmark is: 50% Ice BofA Eur Government Index (Net Return) + 50% Ice BofA Eur Corporate Index (Net Return).

#### PERFORMANCE ANALYSIS AT 30 JULY 2021



	1M	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.
Portfolio	0.98	1.02	2.97	8.06	9.71	2.62	1.87
Benchmark	1.49	0.75	1.43	4.82	4.15	1.58	0.81
Excess return	-0.51	0.27	1.55	3.25	5.56	1.04	1.05

	SI	SI P.A.	2020	2019	2018	2017	2016
Portfolio	59.84	3.75	3.07	3.48	-0.50	2.18	3.05
Benchmark	41.40	2.76	1.35	1.96	-0.05	0.16	1.57
Excess return	18.44	0.99	1.72	1.52	-0.45	2.01	1.47

	07/21-07/20	07/20-07/19	07/19-07/18	07/18-07/17	07/17-07/16
Portfolio	2.97	1.32	3.58	0.33	1.19
Benchmark	1.43	0.17	3.17	-0.49	-0.15
Excess return	1.55	1.15	0.41	0.82	1.34

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. Considering Europe, the Investment Grade (IG) credit spread didn't move, and the High Yield (HY) credit spread increased by 10 bps. The US IG credit spread increased by 5 bps to 91 and the HY credit spread was up by 22 bps to 326.

### Portfolio Activity

During the month the portfolio reduced the overall duration, reducing mainly the exposure to the German rates as they moved below -0.35%, while the exposure to other countries was substantially unchanged. Even the negative exposure to the US Treasury was slightly increased. 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.

Regarding the credit investments, the percentage invested in corporate bonds was stable and they are always representing the 41.6% of the portfolio. The sub-IG bonds are around the 11% of the total. During the month the portfolio composition was substantially unchanged. After the important rebalancing occurred the previous month, inspired by relative value considerations, in the last weeks we have limited the turnover and let the portfolio capture the carry. We limited to just few additions on the HY space to increase portfolio current income. The payer spread plus receiver option strategy we had in place expired with all the legs out-of-the money, so we captured the initial net positive premium as a pure gain.

### Outlook

In the next weeks the Bund rates should move in the range seen in the last days, 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. We continue to remain moderately constructive on credits and this is reflected into our positioning and selection approach which sees a decent portion of high beta IG bonds (predominantly subordinated bank and insurance), the portfolio is confirming the 11% invested into high yield solutions.

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. The exposure to corporate bonds will be unmodified, waiting for the new issuance period after the summer period to eventually increase exposure.

## HOLDINGS & TRANSACTIONS

### TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
BTPS 1.5 04/30/45	Sovereigns	BBB-	2.98%
HELLENIC REPUBLI 0 02/12/26	Sovereigns	BB	2.76%
BTPS 3.85 09/01/49	Sovereigns	BBB-	2.39%
SPANISH GOV'T 5.75 07/30/32	Sovereigns	A-	2.37%
BTPS 5 09/01/40	Sovereigns	BBB-	2.26%
BTPS 6.5 11/01/27	Sovereigns	BBB-	2.21%
HELLENIC REPUBLI 1.875 02/04/35	Sovereigns	BB	1.81%
ITALY GOV'T INT 3.875 05/06/51	Sovereigns (Frgrn Curr)	BBB-	1.70%
FRANCE O.A.T. 5.75 10/25/32	Sovereigns	AA	1.67%
HELLENIC REPUBLI 3.45 04/02/24	Sovereigns	BB	1.66%
<b>Total Top 10 (%)</b>			<b>21.79%</b>
<b>Total Top 20 (%)</b>			<b>35.11%</b>

### TOP 3 SALES OVER THE LAST MONTH

BTPS 0.95 03/01/37
FRANCE O.A.T. 5.75 10/25/32
BTPS 1.4 05/26/25

### TOP 3 PURCHASES OVER THE LAST MONTH

BTPS 5 09/01/40
ADLER GROUP SA 1.875 01/14/26
DERICHEBOURG 2.25 07/15/28

## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	2.05	2.51	2.54	2.99
Standard Deviation Bmk	1.67	1.80	1.73	2.33
Tracking Error	1.34	1.44	1.49	1.62
Alpha	0.03	0.01	0.01	0.01
Beta	0.93	1.15	1.21	1.27
R-squared	0.58	0.68	0.68	0.67
Information Ratio	1.16	0.74	0.71	0.61
Sharpe Ratio	1.69	1.23	0.88	1.00
Treynor Ratio	3.57	2.20	0.54	0.07
Sortino Ratio	3.07	2.04	1.44	1.69

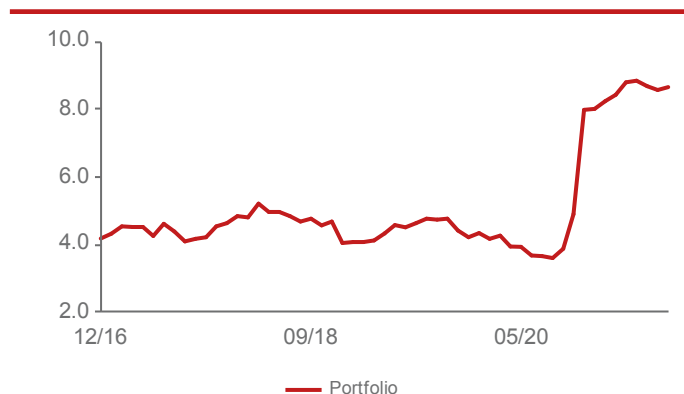
### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-5.4
Peak to trough drawdown (dates)	Oct 10 - Nov 11
Length (in days)	406
Recovery Period (in days)	56
Worst Month	November 2011
Lowest Return	-3.3
Best Month	December 2011
Highest Return	4.5

### FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	84.84	31.34
DTS (Duration Times Spread)	753.49	222.48
Average Rating (2nd best)	BBB	A
Modified Duration	8.66	7.07
Effective Duration	4.06	7.05
Average Time to Maturity	10.41	8.00
Yield to Maturity	0.98	0.28
Current Yield	1.72	0.13
Average Coupon	2.08	-

### MODIFIED DURATION EVOLUTION



## BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET		RELATIVE	
Italy	31.7%	14.0%	17.7%	
France	13.1%	22.8%	-9.6%	
Greece	10.2%	0.0%	10.2%	
Spain	10.1%	9.8%	0.3%	
United Kingdom	8.2%	3.9%	4.3%	
United States	5.8%	9.1%	-3.3%	
Germany	3.1%	16.2%	-13.1%	
Others	15.0%	24.3%	-9.3%	
Cash	2.8%			

RATINGS (2ND BEST)	NET		RELATIVE	
AAA	1.6%	11.6%	-10.0%	
AA	8.4%	21.3%	-12.9%	
A	15.0%	26.9%	-12.0%	
BBB	50.8%	40.1%	10.7%	
BB	20.8%	0.1%	20.7%	
B	0.6%		0.6%	
Cash	2.8%			

SECTOR	NET		RELATIVE	
Sovereigns	53.2%	50.2%	3.0%	
Financials	15.5%	17.3%	-1.8%	
Real Estate	4.8%	2.3%	2.5%	
Consumer Discretionary	4.8%	4.2%	0.7%	
Energy	3.9%	2.3%	1.6%	
Communication Services	3.8%	3.3%	0.5%	
Utilities	2.8%	4.8%	-2.0%	
Others	8.4%	15.6%	-7.3%	
Cash	2.8%			

MATURITY	NET		RELATIVE	
0-1Y	0.7%	0.9%	-0.2%	
1-3Y	11.3%	21.7%	-10.4%	
3-5Y	22.9%	21.6%	1.2%	
5-10Y	32.5%	34.2%	-1.6%	
10-20Y	12.4%	14.5%	-2.1%	
Over 20Y	17.4%	7.1%	10.3%	
Cash	2.8%			

#### 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.

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). 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.