

# GENERALI INVESTMENTS SICAV

## GLOBAL MULTI ASSET INCOME - EY

### 28 February 2022

Marketing communication for Retail investors



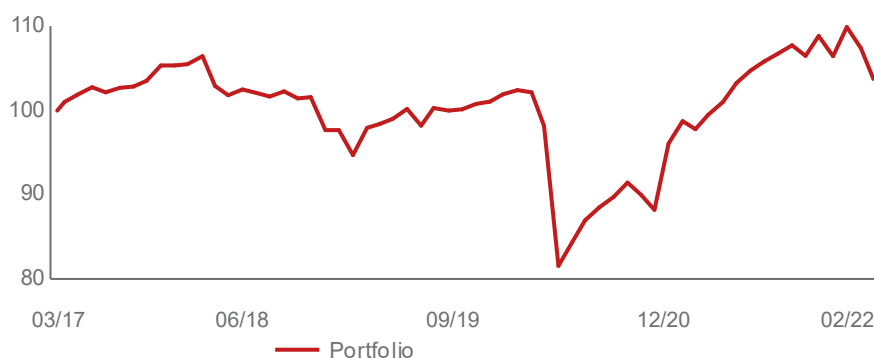
#### KEY DATA

|  |   |
|--|---|
| <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>                        | Cedric BARON  |
| <b>FUND TYPE</b>                           | Sicav   |
| <b>DOMICILE</b>                            | Luxembourg  |
| <b>SUB-FUND LAUNCH DATE</b>                | 21/12/2016  |
| <b>SHARE CLASS LAUNCH DATE</b>             | 15/03/2017  |
| <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>                                | LU1357656518  |
| <b>BLOOMBERG CODE</b>                      | GEEUMEY LX  |
| <b>VALUATION</b>                           |   |
| <b>AUM</b>                                 | 145.31 M EUR  |
| <b>NAV PER SHARE</b>                       | 86.65 EUR   |
| <b>HIGHEST NAV OVER THE LAST 12 MONTHS</b> | 92.75 EUR   |
| <b>LOWEST NAV OVER THE LAST 12 MONTHS</b>  | 86.08 EUR   |
| <b>FEES</b>                                |   |
| <b>SUBSCRIPTION FEE</b>                    | max. 5%   |
| <b>MANAGEMENT FEE</b>                      | 1.50%   |
| <b>CONVERSION FEE</b>                      | max. 5%   |
| <b>REDEMPTION FEE</b>                      | max. 3%   |
| <b>PERFORMANCE FEE</b>                     | n.a.  |
| <b>ONGOING CHARGES</b>                     | 1.85%   |

#### INVESTMENT OBJECTIVE AND POLICY

The objective is to achieve long-term capital appreciation and generate a stable level of income, by allocating globally across different assets classes with attractive yields. The Fund's net assets shall be essentially allocated globally between different assets including, but not limited to, equity, government and corporate bonds, Money Market Instruments and in time deposits. The allocation between the above asset classes is mostly determined on the basis of macro-economic analyses, quantitative models and risk indicators. In particular, the Fund shall invest in instruments such as, but not limited to, equities and equity-linked securities, real estate investment trusts ("REITs"), debt instruments of any kind, UCITS, UCIs, derivative instruments such as, but not limited to, index or single name futures, dividend futures, total return swaps ("TRS"), credit default swaps ("CDS") and equity options. The Fund exposure to Sub-Investment Grade Credit Rating securities may not exceed 50% of its net asset. Investment in contingent convertible bonds ("CoCos") is allowed up to 10% of the Fund's net assets. The Fund may use financial instruments and derivatives for hedging, for efficient portfolio management and for investment purposes.

#### PERFORMANCE ANALYSIS AT 28 FEBRUARY 2022



|           | 1M    | YTD   | 1YR  | 3YR  | 3YR P.A. |
|-----------|-------|-------|------|------|----------|
| Portfolio | -3.40 | -5.58 | 4.24 | 5.40 | 1.77     |

|           | SI   | SI P.A. | 2021  | 2020  | 2019 | 2018   |
|-----------|------|---------|-------|-------|------|--------|
| Portfolio | 3.73 | 0.74    | 11.24 | -3.59 | 8.12 | -10.17 |

|           | 02/22-02/21 | 02/21-02/20 | 02/20-02/19 | 02/19-02/18 |
|-----------|-------------|-------------|-------------|-------------|
| Portfolio | 4.24        | 1.36        | -0.24       | -4.36       |

#### CATEGORY AND RISK PROFILE

|                 |             |
|-----------------|-------------|
| <b>CATEGORY</b> | Multi Asset |
|-----------------|-------------|

|                           |   |   |   |   |   |                            |
|---------------------------|---|---|---|---|---|----------------------------|
| 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.

#### KEY FEATURES

- A flexible asset allocation to react to markets' movements and diversify globally
- Focuses on income generation without sacrificing long term capital growth
- Targets an income distribution of 4% per annum\*
- The investment process includes a mechanism to reduce market's volatility: objective of 6% maximum annualised volatility
- Investors can benefit from quarterly income distribution\*\*
- \* Please note that the indicated percentage represents a target and the performance is not guaranteed.
- \*\* Income will be distributed to investors who subscribed the distribution share classes.

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

In February, the world has been shocked by Russia's invasion of Ukraine. Markets have reacted violently to the incursion: the ruble and Russian equities plummeted on news of the aggression, and risk premia and energy prices soared on fears of new supply disruption threatening both the energy complex and the global recovery. President Putin escalated the crisis despite severe economic and military costs. While he declared the demilitarisation of Ukraine a key goal, his true plans remain opaque. Hopes that he may only try to achieve a better negotiation position to stop NATO's expansion have been dashed. It is not clear either that the demilitarisation simply aims at securing the full separatist control of the Donbas provinces. Putin will likely try to impose a pro-Russian government in Ukraine and may even annex the country; given the size of Ukraine and its army, this may mean prolonged fights and human victims.

In the US, the small reliance on energy import and limited trade as well as financial exchange with Russia reduce the direct impact from the war in Ukraine. The main threat is that the surge in commodity prices and global inflation adds to the unabated domestic pressures. Therefore, despite some tentative signs that supply bottlenecks are easing, we expect CPI inflation to stay above 7% yoy for the next couple of months at least. High prices (especially for fuels and commodity, but recently also food) are heavily affecting confidence, which has dropped to an 8-year low in February. Fundamentals remain supportive to domestic demand, especially the labour market, which further buoyed by the fast reduction in COVID cases. Risks remains tilted toward more inflation rather than to weaker growth. Geopolitics should not derail the Fed's monetary normalisation path, which will be paused or delayed only if an escalation triggers a global recession or threatens financial conditions.

In the euro area, the Russian invasion of Ukraine deteriorated the outlook. The direct trade link is relatively small but soaring energy prices will significantly lift inflation and dent purchasing power. Bottlenecks in certain industrial sectors are likely. That said, as Covid-19 measures have been relaxed during the month, the composite PMI rose to 55.8, the strongest reading since September. The labour market is in good shape, households still have huge pandemic-related excess savings they can deploy, and the further unwinding of stringency measures will also support activity. Inflation has reached a new high in January, at 5.5%, and is likely to persist at high level. Yet, headwinds to activity, deteriorating financing conditions and huge uncertainties will likely make the Governing Council less decisive on the future policy path. Fiscal spending is also set to increase marginally versus previous estimates.

In the past month, 10-year Bund yields have risen by 15 bps and 10-year US yields by 6 bps. The upward movement in yields has been more pronounced in peripherals countries. The Italian spread increased by 25 bps and the Spanish one by 26 bps.

Both the European Investment Grade (IG) credit spread and the High Yield (HY) one widened by 41 and 78 bps, respectively.

In the US movements were more contained: the IG spread increased by 20 bps and the HY one by 14 bps.

As the Ukraine crisis turned to the worse, equity market had another negative month. The MSCI World was down by 2.5%, the S&P500 by 3% and the Euro Stoxx 50 by 5.9%. Currently, earnings and margins remain safe, but risks are tilted to the downside given the chance to see lower GDP growth ahead, triggered by even higher energy prices and inflation hurting sentiment.

### Portfolio Activity

The government bond weight increased by 2.99% in February mainly in core Europe (France and Germany +1.44%). This asset class remained underweighted compared to the strategic asset allocation (14.66% end of February vs 30% in the Strategic Asset Allocation). All the regions are underweighted but US remains, by far, the highest exposure. However, we keep some exposure to this asset class as safe haven assets bring diversification to equity like exposures in a context where tail risks remain elevated (bad news on the geopolitical front, China credit issues, risk of more hawkish central banks). This bucket contribution was mute over the month (-2 bps).

Over the month, the weight of the investment grade increased by +1.28% at 7.97% The IG exposure remains below the neutral allocation (at 10%). We intend to benefit from a price appreciation and an attractive carry in the medium term, but we think that the spread compression is now limited while the risk of higher risk is important, hence the current underweight. The IG bucket contribution was slightly negative in February, mainly due to its European exposure and uncertainty due to the escalation in the Ukrainian conflict (-20bps).

The High Yield bucket slightly decreased in February (from 21.2% to 20.85%) while the emerging market debt exposure decreased by -7bps with an allocation at a 2.02%. The exposure to the HY segment and the Emerging market Debt remains below to its neutral allocation (22.87% vs 30%). This bucket had a negative contribution of -59bps.

The equity bucket contribution was negative in February (-1.01%) as global markets have decreased significantly during the month. This asset class has been decreased during the month to lower the risk in the portfolio due to uncertainty. We finished the month below the S.A.A (current weight at 27.8% vs. S.A.A at 30%).

We keep a decent exposure to dividend futures within this bucket despite the geopolitical context. The pocket remains attractive due to still positively oriented fundamentals. During the month, those opportunistic positions had a negative contribution (-1.22%).

### Outlook

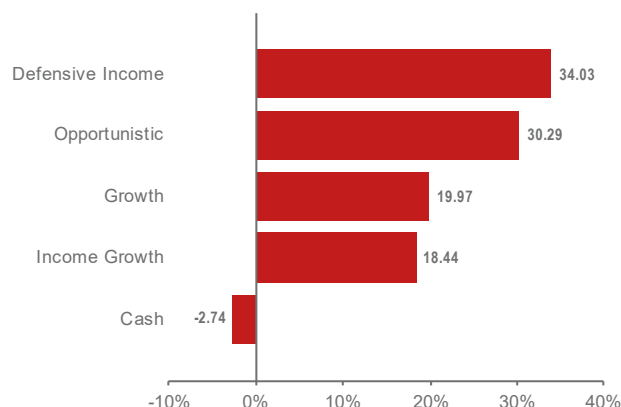
The view is cautious on equities at the asset class level over the short term. We continue to favor this asset class over the medium term as it should continue to benefit from the positive trend and because we think that the combination of a strong economic growth above long term trend, low real yields and the lack of alternative for investors will be favorable to risky assets. However, on a short-term basis, with the war in Ukraine, its strong economic impact and a more hawkish tone from the Fed, the risk off mood could continue during the next weeks of the year. As such, the view is more mixed.

Government bond returns look asymmetric to the downside in core countries given the interest rates level and the cost of carry in Europe due to negative real interest rates. The case is slightly different in the US where carry is positive and growing. The recent increase in interest rates may be a positive argument for the attractiveness of this asset class as in some regions, the current downside appears more limited while the carry remains interesting.

The view on corporate credit segment is still slightly negative. The duration risk limits our appetite for rate sensitive assets in an environment of tightening financial conditions from Central Banks. The HY carry is more attractive but the risk of further default of payment increased in a less clear environment.

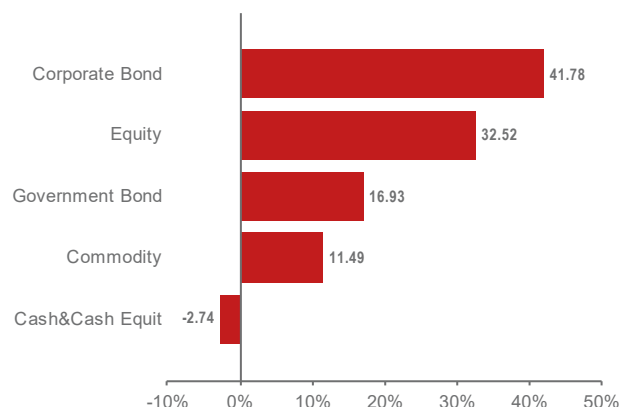
## BREAKDOWNS

### BREAKDOWN BY STRATEGY



| BREAKDOWN ALLOCATION          | GEOGRAPHICAL AREA          | %             |
|-------------------------------|----------------------------|---------------|
| Defensive Income              | Eurozone                   | 20.45         |
|                               | North America              | 12.13         |
|                               | UK                         | 1.44          |
| <b>Defensive Income Total</b> |                            | <b>34.03</b>  |
| Income Growth                 | Eurozone                   | 8.84          |
|                               | North America              | 6.75          |
|                               | Emerging markets           | 2.10          |
|                               | UK                         | 0.74          |
| <b>Income Growth Total</b>    |                            | <b>18.44</b>  |
| Growth                        | Eurozone                   | 7.28          |
|                               | North America              | 6.82          |
|                               | Emerging markets           | 0.97          |
|                               | Japan                      | 2.30          |
|                               | UK                         | 2.58          |
| <b>Growth Total</b>           |                            | <b>19.97</b>  |
| Opportunistic                 | Call Spread EuroStoxx 50   | 2.33          |
|                               | Call Spread EuroStoxx Bank | (1.81)        |
|                               | Call Spread Volatility     | (0.58)        |
|                               | Commodity                  | 11.49         |
|                               | Euro Stoxx Banks Dividend  | 1.95          |
|                               | EuroStoxx 50 Dividend      | 6.49          |
|                               | FTSE 100 Dividend          | 3.08          |
|                               | Luxury strat               | 1.03          |
|                               | Put Spread EuroStoxx 50    | 4.18          |
|                               | Put Spread MSCI Emerging   | 0.87          |
|                               | US Equity - long optional  | 1.22          |
| <b>Opportunistic Total</b>    |                            | <b>30.29</b>  |
| <b>Cash Total</b>             |                            | <b>(2.74)</b> |
| <b>Total</b>                  |                            | <b>100</b>    |

### BREAKDOWN BY ASSET CLASS



| BREAKDOWN ALLOCATION             | GEOGRAPHICAL AREA | %             |
|----------------------------------|-------------------|---------------|
| Government Bond                  | Eurozone          | 4.54          |
|                                  | North America     | 10.42         |
|                                  | Emerging markets  | 2.10          |
|                                  | UK                | (0.13)        |
| <b>Government Bond Total</b>     |                   | <b>16.93</b>  |
| Corporate Bond                   | North America     | 12.01         |
|                                  | Eurozone          | 27.44         |
|                                  | UK                | 2.32          |
| <b>Corporate Bond Total</b>      |                   | <b>41.78</b>  |
| Equity                           | Eurozone          | 18.91         |
|                                  | North America     | 4.65          |
|                                  | Emerging markets  | 0.97          |
|                                  | Japan             | 2.30          |
|                                  | UK                | 5.67          |
| <b>Equity Total</b>              |                   | <b>32.52</b>  |
| <b>Commodity Total</b>           |                   | <b>11.49</b>  |
| <b>Cash&amp;Cash Equit Total</b> |                   | <b>(2.74)</b> |
| <b>Total</b>                     |                   | <b>100</b>    |

#### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

|                        | 1YR  | 3YR   | SI   |
|------------------------|------|-------|------|
| Standard Deviation Ptf | 5.90 | 11.42 | 9.59 |
| Sharpe Ratio           | 1.05 | 0.24  | 0.15 |
| Sortino Ratio          | 1.73 | 0.30  | 0.19 |

#### 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 been 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-Italiane.

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.