

GENERALI INVESTMENTS SICAV

SRI EUROPEAN EQUITY - EX

30 July 2021



Marketing communication for Professional investors

KEY DATA

MANAGEMENT COMPANY	Generali Investments Luxembourg S.A.
INVESTMENT MANAGER	Sycamore Asset Management
FUND MANAGER	Giulia CULOT / Olivier CASSE
BENCHMARK	100% MSCI EUROPE (NR)
FUND TYPE	Sicav
DOMICILE	Luxembourg
SUB-FUND LAUNCH DATE	02/04/2002
SHARE CLASS LAUNCH DATE	26/11/2003
FIRST NAV DATE AFTER DORMANT PERIOD	No dormant period
CURRENCY	Euro
CUSTODIAN BANK	BNP Paribas Securities Services Luxembourg
ISIN	LU0169244745
BLOOMBERG CODE	GENEDEX LX
VALUATION	
AUM	252.19 M EUR
NAV PER SHARE	191.46 EUR
HIGHEST NAV OVER THE LAST 12 MONTHS	191.46 EUR
LOWEST NAV OVER THE LAST 12 MONTHS	144.66 EUR
FEES	
SUBSCRIPTION FEE	max. 5%
MANAGEMENT FEE	2.2000%
CONVERSION FEE	max. 5%
REDEMPTION FEE	max. 3%
PERFORMANCE FEE	n.a.
ONGOING CHARGES	2.4200%

CATEGORY AND RISK PROFILE

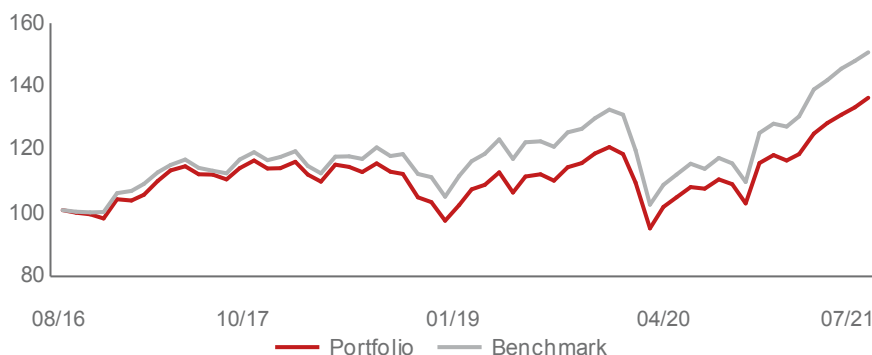
CATEGORY	Equity						
1	2	3	4	5	6	7	
Lower risk Potentially lower rewards					Higher risk Potentially higher rewards		

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 and to provide a long-term capital appreciation by making sustainable investments through a sustainable and responsible investment (SRI) process. The Fund has a sustainable investment objective as the SRI process is designed to invest into listed companies which (i) contributes to social or environmental objectives (ii) do not significantly harm any social or environmental characteristics and (iii) follows good governance practices. The Fund shall invest at least 90% of its net assets in listed equities issued by European companies. ESG (Environment, Social and Governance) analysis, being fully integrated into the investment process, is conducted, on an ongoing basis, through the Investment Manager's proprietary "SPICE" methodology. The Investment Manager has full discretion over the composition of the Fund's portfolio and there are no restrictions on the extent to which the Fund's portfolio. The Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes. The underlying of such derivatives are subject to the above SRI process.

PERFORMANCE ANALYSIS AT 30 JULY 2021



	1M	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.
Portfolio	2.32	15.26	26.60	17.85	36.87	5.63	6.47
Benchmark	1.86	17.50	32.13	24.78	51.86	7.66	8.70
Excess return	0.46	-2.23	-5.53	-6.94	-14.99	-2.03	-2.23

	SI	SI P.A.	2020	2019	2018	2017	2016
Portfolio	91.46	3.74	-2.11	23.72	-14.42	9.32	-1.61
Benchmark	118.15	4.51	-3.32	26.05	-10.57	10.61	2.08
Excess return	-26.69	-0.77	1.21	-2.33	-3.85	-1.29	-3.69

	07/21-07/20	07/20-07/19	07/19-07/18	07/18-07/17	07/17-07/16
Portfolio	26.60	-4.08	-2.96	3.20	12.54
Benchmark	32.13	-7.06	1.61	6.44	14.33
Excess return	-5.53	2.98	-4.57	-3.24	-1.79

KEY FEATURES

- Benefits from a proprietary ESG selection process and dedicated analysts' team
- A sound methodology integrating a series of non-financial variables that may have an impact on financial and economic corporate performance in the long term
- SFDR Classification - Art. 9: The fund has sustainable investment as its objective and an index has been designated as a reference benchmark.

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
The benchmark was changed from Price Index to Net Total Return Index in February 2016.

FUND MANAGER'S COMMENTS

European equity markets displayed positive return for the sixth consecutive month in July, underpinned by a very strong reporting season for Q2 and H1 results. Growth stocks continued to outperform but the sector picture was more mixed with Basic Resources, Real Estate, Media and Diversified Financials among the best performers and Oil&Gas, Retail, Auto and Banks among the detractors.

In July, the sub-fund outperformed its benchmark, mainly thanks to the stock selection process. The sector allocation marginally contributed to this positive relative performance (underweight positions in the Energy sector that was affected by profit taking on not-SRI names such as BP and Repsol, respectively down 8% and 10%, both excluded from our investment universe due to their exposure to unconventional fossil fuels production).

The focus of the sub-fund on quality names with structural growth prospects explains the positive monthly return.

Selected names in Technology contributed very favorably to this absolute and relative performance. ASML and Dassault Systemes stood out with double digit gains (respectively up 10% and 14%). The Dutch leader in Semi equipment posted strong results, supported by high demand for increasing capacity in all segments, increased the guidance for 2021 and announced a new share buyback program (9 billion euros over the 2021-23 period vs. 6bn for the previous one over 3 years). The French software group also raised its 2021 objectives both in terms of sales and earnings, still benefiting from its offering in Virtual Twin Experience.

The Healthcare sector also contributed positively with double digit gains for Coloplast and Novo Nordisk and a robust performance for Merck Kgaa, one of the top convictions in portfolio. The strong confidence of investors in Novo's growth prospects in Diabetes (especially with its GLP1 franchise) and its ability to generate revenue in other specialties (in obesity or cardiovascular disease, as illustrated by the recent successful launch of Wegovy or the partnership with Prothena in rare heart disease ATTR amyloidosis) drove its share price to new record high. Carl Zeiss Meditec and Straumann in Medical Equipment also posted double digit gain over the month (respectively +15% and +16%). These companies have in common to be high long-term growth stories with a more conjectural support from the pent-up demand. In that sector, we engage with Philips in order to understand the past and future practices of the group to solve the problem related to quality issue of the first generation Dreamstation sleep and respiratory care products. The name suffered from these concerns over the last quarter, losing around 10 billion market capitalization since the announcement of the products recall.

Among Industrials, Schneider and Legrand rose 6%. Both companies will see a deceleration in sales growth in the second part of the year but the likely recovery of the non-residential market in USA offers additional upside for 2022. Operating margin prospects were scrutinized by investors in an inflationary environment where input costs and components shortage may weigh on the future profitability. The "green" exposure of the sub-fund in that sector negatively affected the performance. Indeed, Siemens Gamesa and Vestas lost ground (down resp. 17% and 6%). The former warned that it will be impacted by raw material prices increase and higher than expected ramp-up cost for its onshore platform.

Some names in the Food / Nutrition segment performed particularly well, such as DSM, Symrise and SIG Combibloc, up 6-8%. The Swiss provider of aseptic carton packaging continues to benefit from the reopening of some countries where the on-the-go consumption is key and offers nice prospects with potential increases in its market share vs. plastic packaging solutions.

Among the negative contributors, companies with limited pricing power suffered from the aforementioned inflationary environment. As such, Unilever warned that its operating margin will be impacted by higher input costs in the second half of the year. Beiersdorf was an underperformer over the month for the same reason.

Financials also weighed on the absolute and relative performances. Without company specific news, BNP Paribas lost 3%. The unexpected decline in long-term interest rates over the last weeks explains the drag. The non-extension beyond September 2021 of the dividend ban and reassuring EU-wide stress-test results announced by the European Central Bank end-July may reinvigorate the banking sector and quality names in the segment such as BNP Paribas, Intesa SanPaolo and Crédit Agricole SA which are the selected names in portfolio.

as --capital additional The apparent calm in European equity markets in the month of February, with a +2.5% positive return for the MSCI Europe, hides a very polarized picture at sector level, with the energy and financial sectors gaining more than 10% and on the opposite side the defensive sectors such as utilities, consumer staples and healthcare down between 3 and 6%. Basic materials and travel and leisure companies stood out as well, supported by reflation and re-opening trades on the back of the early signs of success of vaccinations in the countries that are most advanced in the process. On the opposite side, some of the "green winners" that had strongly outperformed in 2020 and in the first weeks of January corrected strongly, with investors putting the very strong future growth opportunities in second place compared to short term earnings disappointments.

In this context, the sub-fund delivered a performance slightly below that ("that" ou "the one") of its benchmark, characterised by a favourable contribution of our holdings in the financial and consumer discretionary sectors, which were not enough to compensate the lack of exposure to the commodity-driven energy and basic material sectors.

In the financial sector, the sub-fund benefitted of its overweight exposure to banks and insurance players, which strongly outperformed the market buoyed by rising government bonds yields as well as by above expectations' annual results. Selection was particularly positive among insurers, thanks to the portfolio skew toward life vs non-life players (the former being more sensitive to financial markets conditions) as well as thanks to the holdings in Prudential (+22%, which was reinforced after the stock suffered an excessive pullback last month, despite its upcoming transition towards a pure Asian-African life and protection player in 2Q21) and in AXA (+14%, thanks to a very solid outlook for 2021, a de-risked US subsidiary XL's result and to the announcement of the intention to pay a full dividend this year). In the banking space, our strongest conviction, BNP Paribas, rose almost 24% outperforming its peers thanks to the publication of solid 2020 results, the upward revision (vs expected downward revision) to its 2021 guidance (tu me emets un doute, ils avaient une guidance sur 2021?) and the positive message on dividend. As far as the positive contribution of consumer discretionary is concerned, the portfolio particularly benefitted from the holding in EssilorLuxottica, for which the closing of the deal with GrandVision might finally come and for which the clarification of the governance structure with 2021 AGM will finally allow the company to unlock the value creation potential of the merger.

On the opposite side, the portfolio was negatively impacted by its limited exposure to "pure" reflationary sectors such as energy and basic materials. In the energy space, which was up 10%, our sole holding Neste, which is not as much geared to the increase in oil price, suffered the rotation out of "green" names, reinforced by a rebasement of 2021 expectations with the publication of FY results. Among materials names, the rotation was very strong as well: our holdings in the specialty chemicals space (DSM -5%, Symrise -6%) and SIG Combibloc (-7%) declined, not necessarily for company specific issues (as an example, DSM published very strong results with Nutrition up 9% organically and above consensus guidance for 2021 and Symrise was in quiet period), whereas basic materials names delivered very strong performances supported by rising commodity prices (Rio Tinto +13%, BHP +15%, Glencore +20%).

The top and bottom relative performers in February July were as follows:

- Positive: BNP Paribas (+24%), Prudential (+22%), Crédit Agricole (+24%)Dassault Systemes (+14%), Merck Kgaa (+7%), RELX (+11%), DSM (+8%), Straumann (+16%)
- Negative: Siemens Gamesa (-17%), Philips (-7%), BNP Paribas (-3%), Infineon (-5%), Accor (-5%)Beiersdorf (-9%), Neste (-7%), SIG Combibloc (-6%)

Portfolio Activity

The position in Engie was cut. The trajectory towards the "new" Engie in 2025 with significant disposals (9-10bn€) and investments (15-16bn€) offers limited visibility over the value creation over the period. Unilever holding was also slightly cut due to concerns about short term headwinds from rising costs and more subdued market gain share gain.

New lines in Mister Spex and Alcon were initiated. Both names should deliver significant sales and profit growth in the coming years in the buoyant optical market.

priced-inwereannual growthAfter meeting with the company's top management, we initiated a new portfolio line in Accor, convinced that the actions put in place by the company allowed it to structurally lower its break-even, being in the position to benefit of a progressive reduction of travel restrictions throughout the year, with especially leisure travels being likely to rapidly come back in a reopening scenario. We initiated as well a new line in Smurfit Kappa (EU leader in boxes: box demand and pricing power supporting 2021 results, midterm opportunity from switch from plastic to box packaging). Moreover, we reinforced the holdings in Prudential, BNP Paribas, Adidas, and on the opposite we reduced the exposure to Straumann, Roche, ASLM, Nestlé, Burberry and ANIMA.

Outlook

The investment process is focused on stock-picking and is based on a sector-agnostic approach, with investment ideas being the result of a bottom up analysis of the ESG profile of companies, their fundamentals (business model analysis) and the upside vs. their intrinsic value calculated with a cash-flow analysis in a normative situation. In the construction of the portfolio, we aim to outperform the MSCI Europe on at least two out of the following criteria: workforce growth, percentage of women in executive roles, respect for Human Rights and the NEC indicator (to determine the contribution of a company to the ecological transition, with a rating from -100% to +100% depending on the negative or positive impact of its activities on the environment).

HOLDINGS & TRANSACTIONS

TOP 10 EQUITY

HOLDING	SECTOR	GROSS %
ASML HOLDING NV (ASML NA)	Information Technology	3.70%
ROCHE HOLDING AG-GENUSSCHEIN (ROG)	Health Care	2.85%
L'OREAL (OR FP)	Consumer Staples	2.80%
DASSAULT SYSTEMES SE (DSY FP)	Information Technology	2.80%
LVMH MOET HENNESSY LOUIS VUI (MC FP)	Consumer Discretionary	2.80%
BNP PARIBAS (BNP FP)	Financials	2.74%
MERCK KGAA (MRK GY)	Health Care	2.71%
JULIUS BAER GROUP LTD (BAER SE)	Financials	2.47%
UNILEVER PLC (ULVR LN)	Consumer Staples	2.39%
ASTRAZENECA PLC (AZN LN)	Health Care	2.20%
Total Top 10 (%)		27.46%
Total Top 20 (%)		46.50%

RATIOS

PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	14.32	19.95	16.75	17.59
Standard Deviation Bmk	14.35	20.69	17.36	18.16
Tracking Error	2.75	3.00	2.66	3.44
Alpha	-0.07	-0.03	-0.03	-0.03
Beta	0.98	0.95	0.95	0.98
R-squared	0.96	0.98	0.98	0.98
Information Ratio	-2.01	-0.70	-0.84	-0.22
Sharpe Ratio	1.68	0.30	0.40	0.31
Treynor Ratio	27.49	5.87	5.50	3.44
Sortino Ratio	3.01	0.40	0.54	0.45

NUMBER OF STOCKS

	FUND	BENCHMARK
Number of Positions (ex derivatives)	86	432
Out of Benchmark positions	75	-
Active Share	100.04	-
Number of derivative positions	1	-
Equity Derivatives	1	-
Total number of positions	87	432

DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-57.0
Peak to trough drawdown (dates)	Jul 07 - Mar 09
Length (in days)	602
Recovery Period (in days)	4,410
Worst Month	October 2008
Lowest Return	-18.2
Best Month	April 2009
Highest Return	14.2

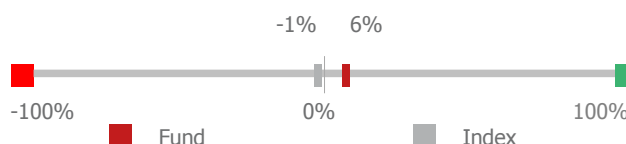
ESG FOOTPRINT

	FUND	BENCHMARK
ESG	3.5	3.3
Environment	3.5	3.2
Social	3.6	3.3
Governance	3.6	3.4

Carbon Footprint	85	194
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in t eq. CO₂/year/€m of capitalization















NET ENVIRONMENTAL CONTRIBUTION



























The NEC – Net Environmental Contribution measures the extent to which business models are aligned with the energy and environmental transition and with the targets set in relation to climate change. (NEC 1.0 calculated by Sycomore AM for years 2017 to 2019).

BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

CURRENCY	NET		RELATIVE	
EUR	72.2%		21.1%	
CHF	13.6%		-1.8%	
GBP	10.4%		-11.9%	
DKK	3.7%		-0.4%	
NOK	0.0%		-0.9%	
SEK	0.0%		-5.9%	
USD	0.1%		-0.1%	

SECTOR	NET		RELATIVE	
Financials	19.9%		4.5%	
Health Care	18.6%		5.2%	
Industrials	13.9%		-2.0%	
Consumer Discretionary	11.7%		-0.6%	
Information Technology	10.9%		2.3%	
Consumer Staples	8.0%		-4.4%	
Materials	7.4%		-1.0%	
Others	7.5%		-6.1%	
Cash	2.2%			

MARKET CAP	NET		RELATIVE	
Over 30 bn	56.9%		-5.0%	
5-30 bn	34.5%		3.9%	
Under 5 bn	6.5%		-1.1%	
Cash	2.2%			

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

LABELS / REWARDS



awarded by AFNOR in 2020

Label ISR 2020-2023 (SRI Label) for GIS SRI European Equity

The SRI Label is a tool for choosing sustainable and responsible investments. Created and supported by the Finance Ministry of France, the label goal is to increase the visibility of SRI products among savers in France and Europe. Detailed information on the Label ISR and the methodology can be found here: <https://www.lalabelisr.fr/en>

Source: Generali Investments Partners S.p.A. Società di gestione del risparmio, 2020. Please be aware that the Risk and Reward Profiles of the sub-fund is category 6" as indicated in the KIID for the Generali Investments Sicav (GIS) SRI European Equity.

For more information about the risks of the subfunds, please refer to the risk section of the prospectus. The risk category associated with the subfunds is not guaranteed and may change over time.

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), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website (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

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.