

GENERALI INVESTMENTS SICAV

Euro Bond 3-5 Years



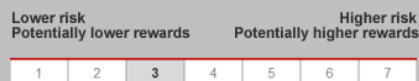
Fund Factsheet as at 31/07/2017 - CX Accumulation Shares

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 3 to 5 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. It may also hold on an ancillary basis government agencies, local authorities, supranational, corporate bonds and assetbacked 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.

Category and Risk profile

Category: Bond fund



Key data

Mgmt. co.: Generali Investments Luxembourg S.A.
Investment manager: Generali Investments Europe S.p.A. Società di gestione del risparmio
Sub-fund manager(s): Mauro Valle
Benchmark: J.P. Morgan EMU 3-5 Years Index
Fund type: SICAV
Domicile: Luxembourg
Launch of sub-fund: 04/11/2008
Launch of share class: 09/12/2014
First NAV date after dormant period: no dormant period
Currency: EUR
Custodian: BNP Paribas Securities Services S.C.A.
ISIN: LU0396184607
Bloomberg code: GEBTFCC LX

Valuation

AuM: 34.95 mil EUR
NAV per share: 106.62 EUR
Highest NAV over the last 12 months: 106.83 EUR
Lowest NAV over the last 12 months: 104.28 EUR

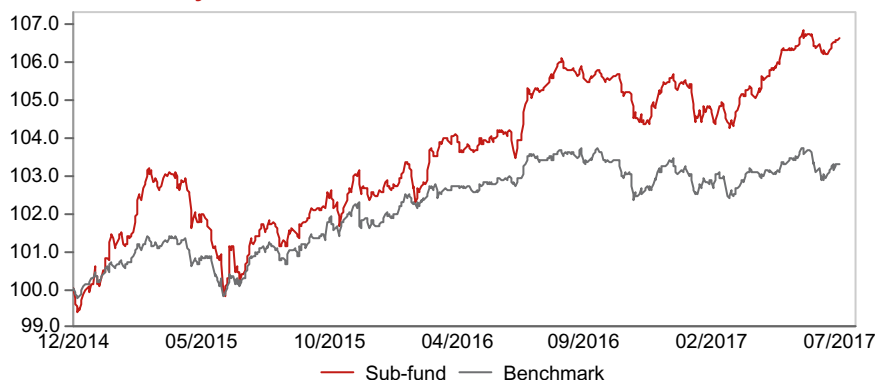
Fees

Subscription fee: max. 5%
Management fee: 0.25%
Conversion fee: max. 5%
Redemption fee: max. 1%
Performance fee: n.a.
Ongoing charges: 0.42% (31/12/2016)

Dealing details for professional investors

Cut off time: T at 1 pm (T being the dealing day)
Settlement: T+2
Valuation: Daily
NAV Calculation: T end of day close
NAV Publication: T+1

Performance analysis



Performance

	1 month	3 months	YTD	1 year	3 years	5 years	3 years p.a.	5 years p.a.
Sub-fund	0.19 %	1.01 %	0.97 %	1.08 %	-	-	-	-
Benchmark	0.19 %	0.14 %	-0.07 %	-0.15 %	-	-	-	-

	Since inception	2016	2015	2014	2013	2012
Sub-fund	6.62 %	2.94 %	2.44 %	-	-	-
Benchmark	3.31 %	1.57 %	1.51 %	-	-	-

	Q02/2016- Q02/2017	Q02/2015- Q02/2016	Q02/2014- Q02/2015	Q02/2013- Q02/2014	Q02/2012- Q02/2013
Sub-fund	1.46 %	4.43 %	-	-	-
Benchmark	-0.20 %	3.20 %	-	-	-

Bond Analysis

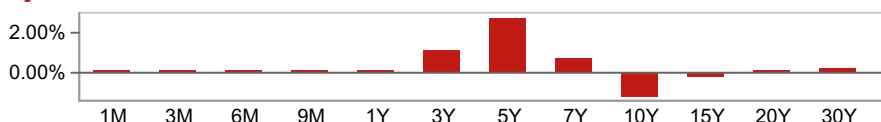
	Sub-fund	Benchmark
Effective Duration	3.31	3.84
Yield to Maturity	0.93	-0.03
Option Adjusted Spread	-	-
Equity Delta	0.00	0.00
Average maturity	5.20	4.02
Average rating (bonds)	BBB-	A-
% of non-investment grade bonds	20.43	1.48

Statistics

Annualized Standard Deviation*	1.70	1.33
Annualized Tracking Error*	1.07	-
Sharpe Ratio*	0.82	0.12
Information ratio*	1.14	-
Value at Risk (20 days, 99%)	0.81	1.09

*calculated over a 1-year period

Key rate durations



Key features

- Invests mainly in Euro area government bonds, focusing on the 3/5 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

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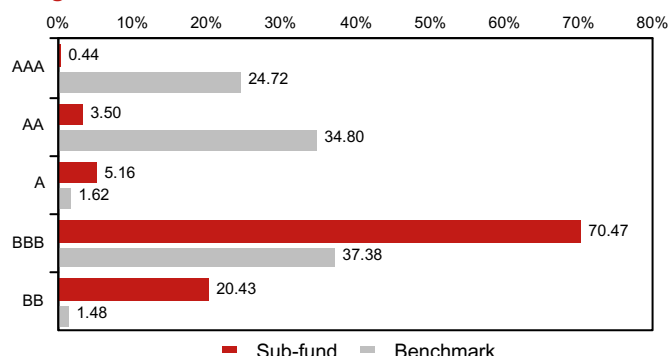


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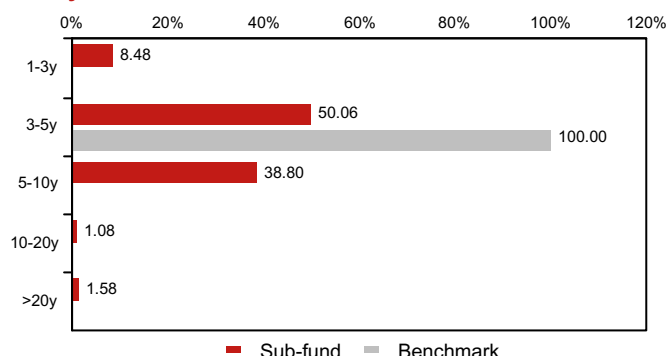
Breakdown by asset class

Asset class	Sub-fund	Benchmark
Sovereign	93.95 %	100.00 %
Cash	6.05 %	-

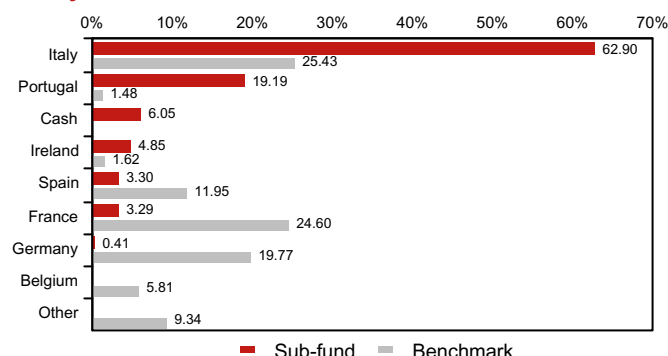
Rating breakdown



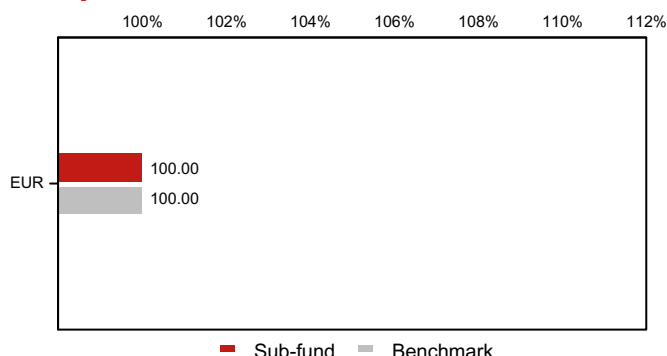
Maturity breakdown



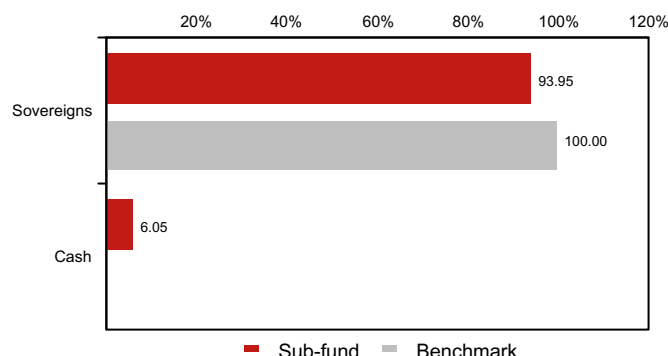
Country breakdown



Currency breakdown



Sector breakdown



Top 10 holdings (absolute weights)

Government Of Italy 5.5% 01-sep-2022
Government Of Italy 2.15% 15-dec-2021
Government Of Italy 5.0% 01-mar-2022
Government Of Italy 0.1% 15-may-2022
Government Of Portugal 4.8% 15-jun-2020
Government Of Portugal 3.85% 15-apr-2021
Government Of Italy 0.95% 15-mar-2023
Government Of Italy 4.0% 01-sep-2020
Government Of Italy 3.75% 01-may-2021
Government Of Portugal 2.2% 17-oct-2022

Sector	Weight %	Rating
Sovereigns	8.90	BBB
Sovereigns	7.60	BBB
Sovereigns	7.59	BBB
Sovereigns	7.51	BBB
Sovereigns	6.46	BB+
Sovereigns	6.43	BB+
Sovereigns	5.68	BBB
Sovereigns	5.16	BBB
Sovereigns	4.84	BBB
Sovereigns	4.56	BB+

www.generali-invest.com

Source: Generali Investments Europe S.p.A. Società di gestione del risparmio. The fund here presented is a subfund of Generali Investments SICAV (an investment company qualifying as a "société d'investissement à capital variable" with multiple subfunds under the laws of the Grand Duchy of Luxembourg) managed by Generali Investments Europe S.p.A. Società di gestione del risparmio. The information contained in this document is only for general information on products and services provided by Generali Investments Europe 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 Europe 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 fund present 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. It is recommended to look over the regulation, available on our website www.generali-invest.com. The client shall carefully read the KIID, which must be delivered before subscribing the investment, and the prospectus which are available on our website (www.generali-invest.com), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website (www.generali-investments-luxembourg.com), and by distributors. If no assets are invested in the fund share class for a certain period of time ("Dormant Period"), the wording "performance data since inception" shall be read as "performance calculated as of the first date of NAV calculation after the Dormant Period". Generali Investments is part of the Generali Group which was established in 1831 in Trieste as Assicurazioni Generali Austro-Italiane. Generali Investments is a commercial brand of Generali Investments Europe S.p.A. Società di gestione del risparmio.

Fund Manager Comment

Market View

The strengthening of the euro against the US dollar was the most notable event on financial markets in July. The single currency rose by 3.6% since the end of June, to 1.18, the highest level since January 2015, even though president Draghi adopted a more moderate tone at the ECB meeting in an attempt to calm markets after the spike in Bund yields since late June.

The perceived more hawkish tone in Draghi's speech on June 27, solid macro data and receding political risks contributed to push euro area core yields higher. In order to reduce investors' concerns over a possible taper tantrum, president Draghi adopted a more moderate tone at the ECB's July meeting. Draghi stressed that there are still no convincing signs of higher inflation – headline inflation at +1.3% in July, core inflation at +1.2% – and reaffirmed the QE forward guidance. It is therefore likely that the awaited announcement of the start of the QE tapering will come only in the fall and not at the September meeting.

In the US, weaker than expected inflation data and the ongoing political uncertainty weighed on market sentiment. The Fed also was perceived as somewhat more dovish due to its reference to inflation uncertainty, but it confirmed that the balance sheet reduction would start soon.

The German 5 years rates moved up in the first days of July from -0.22%, to -0.07% and then declined up to -0.19% at the end of the month.

The 5 years Italian BTP increased up to 0.97% in the first half and then declined around 20bps, ending at 0.78%.

The spread between Italy and Germany (5 years) tightened from 108 bps to 95 bps.

Portfolio Activity

During the month the portfolio's duration was neutral vs benchmark, as the short-medium core rates were at the maximum level of last 12 months. In the last days of July, after a decline in rates, especially for the medium maturities, portfolio's duration was reduced around -0.5 years.

The exposure to core countries was always kept underweighted. Italy's weight was slightly increased during the month as the positive trend for peripherals was holding; Portugal and Ireland were always overweighted and Spain underweighted.

Outlook

Over the coming weeks, rates should move on expectations about the next ECB decisions regarding QE, and some announcements should be expected in September or October.

Given the ECB attitude, the positive economic growth in Eurozone and the expectations for a bottom in inflation, the risk is to see higher core rates, compared to the range of last weeks. The next trend for peripheral spreads is more complex to decode, especially for the BTPs, as the election's risk will resurface again in the future and the impact of QE is a further element of uncertainty. In the next weeks, the strategy should continue to follow a conservative approach and the portfolio's overall duration will be managed on the short side.

The exposure to the peripherals bonds will continue to be overweighted, as ECB will continue to support short-medium term maturities. The exposure to longest maturities (7+ years) will be managed tactically both for core and peripherals countries.