

# GENERALI INVESTMENTS SICAV

## SRI EURO PREMIUM HIGH YIELD - EX

### 28 February 2022



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>	Benoist GRASSET
<b>BENCHMARK</b>	100% BOFA ML EURO BB-B HIGH YIELD (TR)
<b>FUND TYPE</b>	Sicav
<b>DOMICILE</b>	Luxembourg
<b>SUB-FUND LAUNCH DATE</b>	18/07/2003
<b>SHARE CLASS LAUNCH DATE</b>	26/11/2003
<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>	LU0169275384
<b>BLOOMBERG CODE</b>	GENHYEX LX

#### VALUATION

<b>AUM</b>	72.99 M EUR
<b>NAV PER SHARE</b>	173.08 EUR
<b>HIGHEST NAV OVER THE LAST 12 MONTHS</b>	182.76 EUR
<b>LOWEST NAV OVER THE LAST 12 MONTHS</b>	172.80 EUR

#### FEES

<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>	1.61%

#### CATEGORY AND RISK PROFILE

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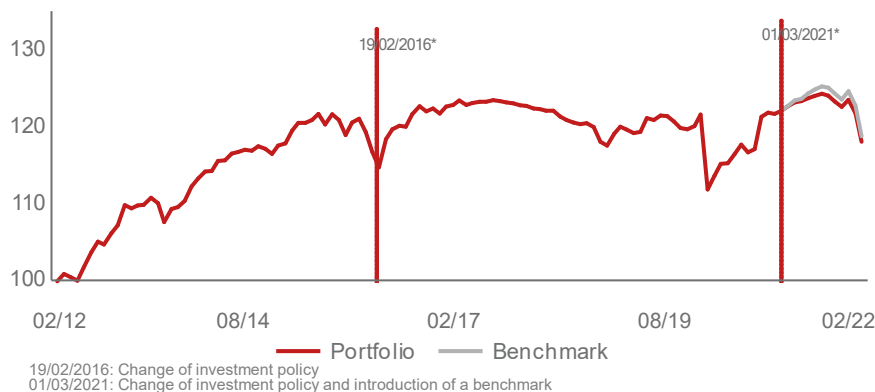
1	2	3	4	5	6	7
Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards

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 achieve capital growth and outperform its Benchmark by investing mainly in high-yield debt securities and debt related securities denominated in Euro - seeking to capture a significant portion of the upside in this investment universe, through a responsible investment process. The Fund shall invest at least 51% in Euro denominated debt and debt-related securities of any kind, having Sub- Investment Grade Credit Rating. The issuers of securities (with the exclusion of government bonds) in which the Fund may invest will be subject to a proprietary ethical filter that excludes issuers involved in certain activities. Securities will be selected within the relevant and eligible asset classes described in the investment policy, taking into account average ESG ratings. The Investment Manager will analyse and monitor the ESG profile of securities' issuers using ESG scores sourced from an external ESG data provider. The average ESG rating of the Fund shall constantly be higher than the average ESG rating of its initial investment universe after eliminating at least 20% of initial securities ranking the worst in terms of ESG scoring.

#### PERFORMANCE ANALYSIS AT 28 FEBRUARY 2022



	1M	YTD	1YR	3YR	5YR	3YR P.A.	5YR P.A.
Portfolio	-3.03	-4.42	-3.28	-1.63	-4.33	-0.55	-0.88
Benchmark	-3.23	-4.70	-	-	-	-	-
Excess return	0.20	0.28	-	-	-	-	-

	SI	SI P.A.	2021	2020	2019	2018	2017
Portfolio	73.08	3.05	1.38	1.80	1.80	-4.19	0.04
Benchmark	-	-	-	-	-	-	-
Excess return	-	-	-	-	-	-	-

	02/22-02/21	02/21-02/20	02/20-02/19	02/19-02/18	02/18-02/17
Portfolio	-3.28	0.38	1.32	-1.87	-0.89
Benchmark	-	-	-	-	-
Excess return	-	-	-	-	-

#### KEY FEATURES

- Optimized risk-reward portfolio and an actively managed credit exposure
- SFDR Classification - Art. 8: The fund promotes, among other characteristics, environmental or social ones, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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

The first half of February was dominated by growing noises that the Fed and other central banks would be forced to embark upon a much more aggressive tightening cycle than anticipated, particularly as inflation continued to surprise on the upside. But then in the second half, we saw a massive risk-off move prompted by warnings and then the reality of Russia's invasion of Ukraine, which in turn triggered severe sanctions on Russia that have had a seismic market impact across multiple asset classes. Against this backdrop, the ICE BoA BB-B Euro High Yield Index posted a negative performance of 3.23%,

### Portfolio activity

We started the year with relatively high cash levels and have kept comfortable levels of dry powder so far. While HY spreads now look fairly valued versus EU equity risk premium, geopolitics is now a big short-term uncertainty to throw into the mix and chatter about recession and stagflation is intensifying. In this context, we favor moving up into quality names and we went from short to slightly long on iTraxx main exposure where bearish positioning seems overextended.

### Outlook

Credit spreads have often lurched much wider than "fair value" in previous big risk-off events which suggests some caution. But we think the sell-off is likely to meet stiffer resistance: at about 4% yield, the market has built decent value in the BB-B corporate credit space. We think that at some point around or before March 10, in the next ECB GC Meeting, market participants may be looking to re-enter risk positions especially on indices. At that point, the run-up to the 20 March roll will factor in as well.

## HOLDINGS & TRANSACTIONS

### TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
ELEC DE FRANCE PERP	Utilities	BB+	2.20%
CASINO GUICHARD 1.865 06/13/22	Consumer Staples	CCC+	2.20%
TELEFONICA EUROP PERP	Communication Services	BB	1.67%
INTRUM AB 4.875 08/15/25	Industrials	BB	1.67%
UNIPOLSAI ASSICU 5.75 PERP	Financials	BB-	1.61%
VODAFONE GROUP 01/03/79	Communication Services	BB+	1.52%
QUATRIM 5.875 01/15/24	Consumer Staples	B	1.52%
ALTICE FRANCE 2.5 01/15/25	Communication Services	B	1.45%
LLOYDS BK GR PLC PERP	Financials	BBB-	1.43%
TENNET HLD BV PERP	Utilities	BB+	1.43%
<b>Total Top 10 (%)</b>			<b>16.68%</b>
<b>Total Top 20 (%)</b>			<b>28.42%</b>

### TOP 3 SALES OVER THE LAST MONTH

BANCO SABADELL PERP
NOMAD FOODS BOND 2.5 06/24/28

### TOP 3 PURCHASES OVER THE LAST MONTH

TERNA RETE PERP
VZ SECURED FINAN 3.5 01/15/32
ROLLS-ROYCE PLC 1.625 05/09/28

## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	3YR	5YR	SI
Standard Deviation Ptf	2.42	5.15	4.08	5.60
Standard Deviation Bmk	-	-	-	-
Tracking Error	-	-	-	-
Alpha	-	-	-	-
Beta	-	-	-	-
R-squared	-	-	-	-
Information Ratio	-	-	-	-
Sharpe Ratio	-0.98	0.02	-0.10	0.10
Treynor Ratio	-	-	-	-
Sortino Ratio	-1.19	0.02	-0.12	0.14

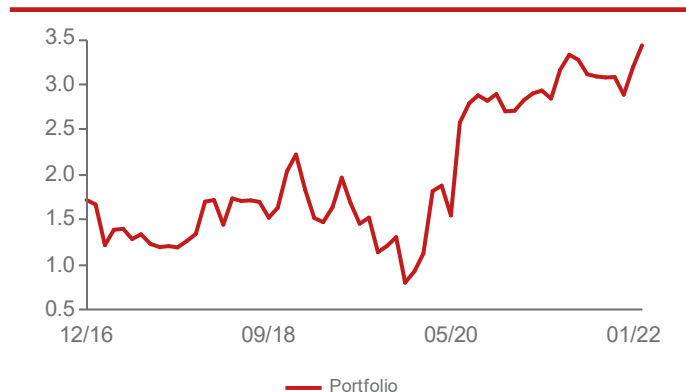
### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-35.1
Peak to trough drawdown (dates)	Jun 07 - Dec 08
Length (in days)	574
Recovery Period (in days)	448
Worst Month	October 2008
Lowest Return	-17.8
Best Month	April 2009
Highest Return	8.7

### FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	356.82	352.54
DTS (Duration Times Spread)	2,007.90	1,642.55
Average Rating (2nd best)	BB-	BB-
Modified Duration	3.43	3.75
Effective Duration	3.06	3.53
Average Time to Maturity	2.52	4.29
Yield to Maturity	4.57	4.33
Current Yield	3.69	0.54
Average Coupon	3.60	-

### MODIFIED DURATION EVOLUTION



## BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET	RELATIVE
France	15.9% 13.0%	2.9%
United Kingdom	12.9% 7.4%	5.6%
United States	11.7% 13.8%	-2.2%
Italy	11.0% 15.5%	-4.5%
Spain	8.7% 8.4%	0.3%
Germany	7.1% 11.4%	-4.3%
Sweden	6.0% 2.3%	3.6%
Others	23.4% 28.2%	-4.7%
Cash	3.4%	

RATINGS (2ND BEST)	NET	RELATIVE
A	1.2%	1.2%
BBB	6.3%	6.3%
BB	56.4% 70.2%	-13.7%
B	28.6% 28.0%	0.5%
CCC	4.2% 1.8%	2.4%
Not Available	-0.1%	-0.1%
Cash	3.4%	

SECTOR	NET	RELATIVE
Financials	25.8% 16.0%	9.9%
Communication Services	13.2% 15.7%	-2.5%
Consumer Discretionary	11.1% 16.6%	-5.5%
Industrials	10.0% 17.4%	-7.4%
Materials	8.3% 8.7%	-0.4%
Utilities	7.7% 5.5%	2.2%
Real Estate	6.1% 3.4%	2.7%
Others	14.3% 16.7%	-2.4%
Cash	3.4%	

MATURITY	NET	RELATIVE
0-1Y	27.8% 19.1%	8.7%
1-3Y	34.7% 36.4%	-1.7%
3-5Y	22.9% 26.3%	-3.4%
5-10Y	11.4% 17.2%	-5.8%
10-20Y	0.8%	-0.8%
Over 20Y	0.2%	-0.2%
Not Available	-0.1%	-0.1%
Cash	3.4%	




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The above holdings are neither representative of the overall portfolio's performance nor do they represent the performance of other holdings held within the portfolio. The composition of the portfolio may change from time to time at the sole discretion of the investment manager.


## ESG REPORTING

### ESG COVERAGE








	FUND	UNIVERSE
Coverage	91.88%	85.46%


### SCORES BY PILLAR

Pillar	SCORE	
Environment	70.3 64.1	
Social	51.7 47.5	
Governance	52.4 47.1	



### ESG BREAKDOWN BY CATEGORY

CATEGORY	% OF PTF	
Leader	15.1% 5.5%	
Good	35.4% 19.9%	
Above Average	22.2% 28.1%	
Average	12.2% 18.7%	
Below Average	7.8% 12.3%	
Poor	6.3% 11.8%	
Laggard	1.0% 3.7%	

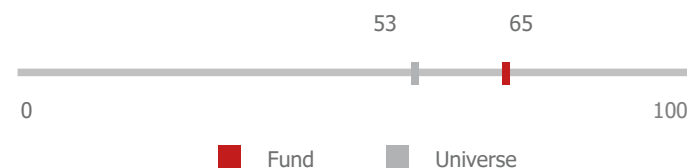


### ESG INDICATORS


		FUND	UNIVERSE	FUND COVERAGE
Severe controversies related to labour management	Human Rights	3.90	3.85	88.77%
Carbon Intensity (1)	Environment	138.67	209.62	90.77%
Percentage of women in the workforce	Social	41.87%	35.71%	57.16%
Independency of board of directors (2)	Governance	76.94%	75.90%	90.77%


The portfolio should show a better result on at least these two indicators relative to its initial investment universe.  
(1) The first indicator with a coverage of at least 90%, (2) while the second one should be covered at a minimum of 70%.

### ESG SCORE










### CARBON INTENSITY

Carbon Intensity in t eq. CO <sub>2</sub> /year/\$m of revenue	138.7 209.6	
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The ESG scores are defined with the following range:

#### Fund

-  Leader from 86 to 100
-  Good from 71 to 85
-  Above average from 56 to 70
-  Average from 41 to 55
-  Below average from 26 to 40
-  Poor from 11 to 25
-  Laggard from 0 to 10

#### 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

## ESG Glossary

**ESG Coverage:** Percentage of the portfolio covered by an extra-financial analysis also called “ESG analysis” as the main pillars are: Environment, Social and Governance.

**Carbon intensity** (tCO<sub>2</sub> eq./million \$): we are referring to the equivalent of the number of tons of carbon dioxide (CO<sub>2</sub>) that it takes to a company to make one unit of revenue (1 million \$) per year. The methodology used includes both Scope 1 and Scope 2 emissions where Scope 1 covers direct emissions from owned or controlled sources while Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

**ESG score:** ESG scores are designed to transparently and objectively measure a company's relative extra-financial performance, commitment and effectiveness across 35 main criteria based on publicly reported data. Based on those criteria, each sector has its own materiality matrix that allows companies ESG scoring taking into account the most material issues within each sector. However, the ESG scores relies on Environment (climate change, energy efficiency...), Social (human resources management, employees' health & safety...) and Governance (composition & diversity of governance bodies, executive compensation...) pillars.

The ESG approach has the main following restraints:

- The availability of data to conduct an ESG analysis
- The quality of the data used in the assessment of ESG quality and impact as there are no universal standards related to ESG information and third party verification is not systematic
- The comparability of data, as not all companies publish the same indicators;
- The use of proprietary methodologies, which relies on the experience and skills of the asset manager's staff

For more details on the ESG investment process, ESG approach and ESG criteria, please refer to the prospectus

## 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-Italiane.

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