

GENERALI INVESTMENTS SICAV

Greater China Equity



Fund Factsheet as at 28/02/2018 - DX Accumulation Shares

Investment objective and policy

The objective of the Fund is to outperform its Benchmark and to provide a long-term capital appreciation investing in equities of Greater China companies. The Fund shall essentially invest in equities of Chinese companies deriving majority of their income in the Greater China region or having substantial operations or valued added functions located in the region. If any, investments in China A-shares and other RMB-denominated permissible securities that trade on Chinese stock exchanges will be made through Stock Connect. 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: Equity Fund



Key data

Mgmt. co.: Generali Investments Luxembourg S.A.
Investment manager: Genreali Investments Asia Limited
Sub-fund manager(s): Selina Tsang/ Terrace Chum/ Jeremy Wong
Benchmark: MSCI Golden Dragon - Net Total Return Index *
Fund type: SICAV
Domicile: Luxembourg
Launch of sub-fund: 31/01/2011
Launch of share class: 31/01/2011
First NAV date after dormant period: no dormant period
Currency: USD
Custodian: BNP Paribas Securities Services S.C.A.
ISIN: LU0145487343
Bloomberg code: GISGDDC LX

Valuation

AuM: 130.80 mil USD
NAV per share: 243.96 USD
Highest NAV over the last 12 months: 260.63 USD
Lowest NAV over the last 12 months: 181.34 USD

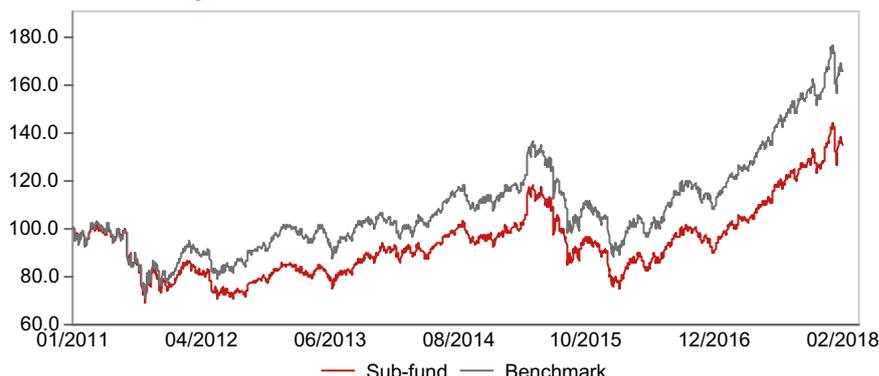
Fees

Subscription fee: max. 5%
Management fee: 1.90%
Conversion fee: max. 5%
Redemption fee: max. 3%
Performance fee: n.a.
Ongoing charges: 2.09%

Dealing details for professional investors

Cut off time: T-1 at 1 pm (T being NAV date)
Settlement: T+3
Valuation: Daily
NAV Calculation: T (T-1 end of day close)
NAV Publication: T

Performance analysis



Performance

	1 month	3 months	YTD	1 year	3 years	5 years	3 years p.a.	5 years p.a.
Sub-fund	-5.20 %	5.55 %	4.84 %	33.06 %	32.32 %	61.80 %	9.93 %	10.34 %
Benchmark	-5.08 %	6.28 %	4.30 %	36.02 %	39.08 %	66.14 %	11.80 %	10.93 %

	Since inception	2017	2016	2015	2014	2013
Sub-fund	34.95 %	39.64 %	1.63 %	-6.53 %	4.60 %	10.77 %
Benchmark	65.58 %	43.79 %	5.40 %	-7.43 %	7.72 %	6.89 %

	Q04/2016- Q04/2017	Q04/2015- Q04/2016	Q04/2014- Q04/2015	Q04/2013- Q04/2014	Q04/2012- Q04/2013
Sub-fund	39.64 %	1.63 %	-6.53 %	4.60 %	10.77 %
Benchmark	43.79 %	5.40 %	-7.43 %	7.72 %	6.89 %

Statistics

	Sub-fund	Benchmark
Beta*	1.09	1.00
Correlation*	0.97	1.00
Information ratio*	-0.64	-
Sharpe Ratio*	1.03	1.32
Annualized Tracking Error*	4.27	0.00
Annualized Standard Deviation*	17.95	16.05
Value at Risk (20 days, 99%)	11.38	

*calculated over a 1-year period

Top 10 holdings (absolute weights)

	Sector	Weight %
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	9.41
Tencent Holdings Ltd.	Information Technology	9.28
Alibaba Group Holding Ltd. Sponsored ADR	Information Technology	9.03
Ping An Insurance (Group) Company of China, Ltd. Class H	Financial	5.27
China Construction Bank Corporation Class H	Financial	4.32
Industrial and Commercial Bank of China Limited Class H	Financial	4.10
Baidu, Inc. Sponsored ADR Class A	Information Technology	3.68
China Shenhua Energy Co. Ltd. Class H	Energy	3.23
Anhui Conch Cement Company Limited Class H	Materials	3.15
New Oriental Education & Technology Group, Inc. Sponsored ADR	Consumer Discretionary	3.14

*The benchmark was changed from Price Index to Net Total Return Index in February 2016. Past performance provides no guarantee for the future. No express or implied liability or guarantee is assumed that the future performance will correspond to the performance described above. The value of and income from fund units or sub-fund units ("Units") may rise or fall. No guarantee can be assumed that the investment objectives of the fund will be achieved. The performance is net of fees and taxes. Legal information concerning the funds, in particular the prospectus, is available from Generali Investments Europe S.p.A. Società di gestione del risparmio or on the website: www.generali-investments.com

GENERALI INVESTMENTS SICAV

Greater China Equity

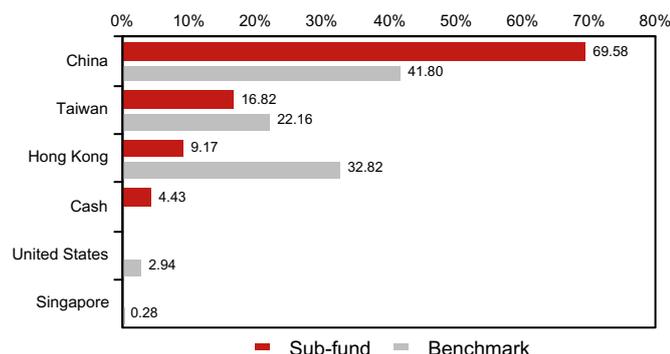


Fund Factsheet as at 28/02/2018 - DX Accumulation Shares

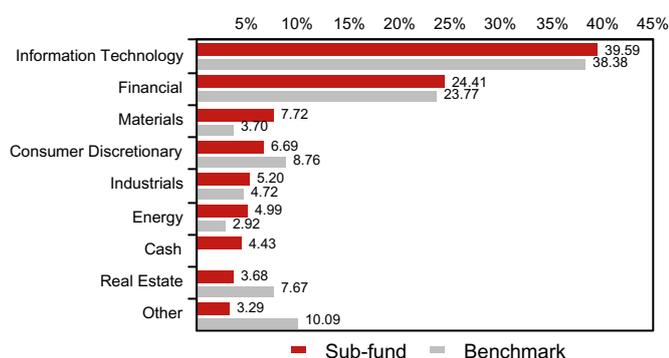
Financial ratios

	Sub-fund
P/Book Value	1.80
LTM P/E	15.40
NTM P/E Median	11.99
ROE (%)	14.70
Dividend Yield (%)	2.40
3 Year Earnings Growth (%)	9.00

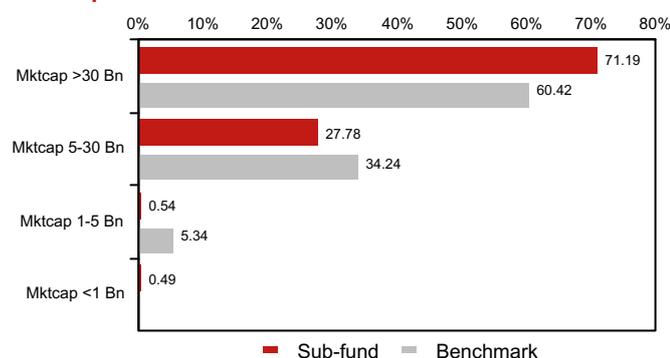
Country breakdown



Sector breakdown



Market cap breakdown



Key features

- Structurally positive on specific sectors with growth perspectives above average
- Value created through stock selection based on a combination of quantitative and thorough bottom-up-analysis driving the selection of dedicated attractive stocks
- Benefits from the Generali Group's commitment in Asia

www.generali-investments.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-investments.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-investments.com), on Generali Investments Luxembourg S.A. (Management Company of Generali Investments SICAV) website (www.generali-investments.lu), 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-Italiche. Generali Investments is a commercial brand of Generali Investments Europe S.p.A. Società di gestione del risparmio.

Fund Manager Comment

Market View

Greater China markets corrected during a shortened trading month in February (due to Chinese New Year) amidst a correction in global markets due to concerns of a possible accelerating US interest rates' increase cycle. Nonetheless, for the first two months of 2018 the markets were still in positive territory.

China manufacturing PMI, partly affected by the Chinese New Year, came in weaker than expected, falling 1.0-pt to 50.3 in February (consensus: 51.1). Further details show, amongst the major PMI components, output, new orders and new export orders all declined in February.

The Central Committee of the Communist Party proposed to amend the constitution to remove the clause that the President and Vice-President "shall serve no more than two consecutive terms", paving the way for President Xi to stay on after his second term ends 2023.

11 out of the 70 large cities in China saw new home price ASP decrease YoY in January. The Shenzhen new home price fell 3.4%, the most amongst the 70 cities, while Beijing and Shanghai prices were also down by 1.2% and 0.2%. On the other hand, Harbin topped the charts with an 11.5% YoY increase in prices. Second-hand home price decreased by 0.5% MoM in the 70 cities, after increasing for 16 months.

HK property: CCL Index rose 1.77% last week to 171.59, a new historical high, with all eight sub-indices breaking new high, the first time in 42 weeks.

Trading activities in Taiwan continued to hold up well; January export orders (in US\$ terms) came in higher than expected, rising 19.7% y-o-y.

Portfolio Activity

During the month of January, the fund initiated weightings in one industrial stock in Taiwan and a gas utility stock in China. The fund also made some partial switching trades between internet, banking and utility stocks while reducing the weighting of one China telecom stock. In February, there were sell trades across the board to accommodate for a sizable redemption.

Outlook

While economic growth in China is expected to be lower in 2018 compared to 2017 as the emphasis is shifted to "quality over quantity", the strength in global growth and the resilience of domestic demand should ensure that the economy will not face any severe slowdown. With the manufacturing PMI being sustained at an above 50 level continuously for 19 months (although the February manufacturing PMI came in weaker than expected) and Q417 GDP growth at 6.8%, a more sustainable trend in growth has been established. Global growth forecast has been revised up by the IMF to 3.9% in both 2018 and 2019 (from 3.6% in 2017), supporting exports. Meanwhile, a consumption upgrade resulting from increasing income levels should also help to hold up the economy. In the meantime, price pressure remains muted with the CPI being contained at a modest level.

The near-term risk to the above scenario of Chinese economic growth lies in excessive deleveraging of the financial sector and/or excessive tightening in the property sector. The possibility of a slowdown in growth in the coming months still prevails as the impact on growth of the recently strengthened RMB combined with a more restrained credit environment is yet to be felt.

In Taiwan, the TWD has risen 9.1% against the USD during 2017 and another 0.8% YTD February. Exporters with high USD exposures could experience lower margins and/or realized FX losses in their earnings results. The apparent lackluster sales of iPhone X will also cast uncertainty to the near-term market outlook for Taiwan technology stocks.

Buying activities via the southbound channel remained buoyant. This, combined with a relatively upbeat earnings outlook for 2018, should help maintain the positive sentiment in recent months in the Hong Kong market. A possible adaptation to a change of listing rules to accommodate secondary listings of mainly technology stock should also boost market activities.

The fund is positioned for a more positive earnings outlook in 2018, with overweight positions in the more cyclical sectors including construction and materials. Meanwhile, selective stocks in the technology/internet sectors are overweight due to their leading positions in their respective growth area. The fund is overweight China at the expense of weightings in Hong Kong and Taiwan, both of which have a relatively weaker domestic economy currently.