



Fading US exceptionalism is a global opportunity for unconstrained investors

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The end of US exceptionalism is challenging the long-standing dominance of the US dollar, says Giordano Lombardo, co-founder, CEO and co-CIO of Plenisher Investments, part of Generali Investments. In this article, he explains why investors and asset allocators may want to rethink their portfolios in light of these seismic shifts, and how an unconstrained and multi-strategy approach can help to unlock truly differentiated investment opportunities.

- *Destination Value Total Return, a sub-fund of Plenisher Investments SICAV, has returned approximately 40% in dollar terms over five years – 8% annually – with significantly lower volatility than broader markets.¹*
- *US exceptionalism is starting to come under pressure. We're moving into a new regime – one defined by regionalisation, fiscal expansion, and a relative pullback of US leadership.*
- *A structurally weaker dollar lies ahead, requiring investors and asset allocators to rethink their portfolios.*
- *European banks, Chinese equities, emerging markets, and real assets like gold and uranium are a few of the compelling opportunities highlighted by Plenisher.*

SOLID RETURNS WITH LOW VOLATILITY

We're delighted to say that our first flagship fund, Destination Value Total Return, has just reached five years of performance. We're pleased not only to have reached this milestone, but also because one of our key goals at the outset was to provide unconstrained, goal-oriented returns, free from benchmark constraints.

I'm happy to say that we've done that: the fund has returned approximately 40% in dollar terms over five years – 8% annually – with significantly lower volatility than broader markets¹. This performance came during a highly complex period, marked by the pandemic, the volatility of 2022, and some very challenging conditions, like we see today.

PROVING THE CASE FOR ACTIVE, UNCONSTRAINED INVESTING

These results hopefully show that our philosophy of avoiding traditional benchmark-focused investing focused on asset classes has proven to be effective. We believe that delivering strong returns is only half the story; managing downside risk is just as essential. That balance is what makes an unconstrained global approach truly powerful.

Benchmark-oriented funds tend to be heavily weighted toward US assets, simply because US equities dominate global indices, the dollar is the reserve currency, and Treasuries are the world's main safe haven asset. And while there are certainly still attractive opportunities in the US – especially in tech – our view has always been that truly active investing means going beyond the benchmark and being willing to invest wherever the opportunities are.

That's what we've done. In contrast to most other multi-asset funds, we allocate to five proprietary strategies (income, compounders, macro, special situations and alternatives) plus a hedge overlay to better manage our currency and market exposures. This results in a global and well-diversified fund, with allocation in equities and fixed income, as well as real assets – such as uranium, gold, and various commodities – and emerging markets.

In a world where asset management offerings are increasingly split between private markets on one side and passive, index-hugging products on the other, we believe there is a clear need for liquid, active products that are unconstrained and globally opportunistic. We believe if investors pay for active management, they shouldn't just get benchmark exposure.

EXPANDING THE STRATEGY

We've successfully extended this approach into new products, launching two additional funds focused on our fixed income and equities expertise. Both are directly inspired by the original fund and follow the same philosophy: delivering total returns independent of benchmark constraints, while focusing specifically on their respective asset classes.

THE END OF US EXCEPTIONALISM AND SEISMIC GLOBAL SHIFTS

Investors now face a very different macro environment from the past two or three decades.

In recent years, the dominant trend has been a strong preference for US exposure, across both liquid and private markets, thanks to strong performance, loose monetary policy, and aggressive fiscal stimulus.

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The model that relied on the US consumer as the primary growth engine, while countries like China and Germany focused on exports, is evolving.

But that narrative of US exceptionalism is starting to come under pressure. Since 2022, and even more clearly since the beginning of 2025, we've seen several factors challenge this model. The current US administration has thrown into question key elements of the global order, from trade to tariffs to foreign policy, and appears to be pivoting toward a more inward-looking stance. At the same time, US tech giants, especially in AI, are facing more competition, particularly from China. We've also seen shifts

¹Returns may increase or decrease as a result of currency fluctuations. Past performance does not predict future returns.



in economic policy elsewhere. Germany, long a champion of fiscal austerity, is now signalling a potential change. For decades, the Bundesbank and fiscal discipline were non-negotiable. That may be changing, and similar shifts are taking place in China, where the government appears to be supporting domestic consumption more actively.

These developments suggest a structural shift in the global economy. The model that relied on the US consumer as the primary growth engine, while countries like China and Germany focused on exports, is evolving. We're moving into a new regime – one defined by regionalisation, fiscal expansion, and a relative pullback of US leadership.

WHAT A GLOBAL STRUCTURAL SHIFT MEANS FOR PORTFOLIOS

These shifts have major investment implications. Most significantly, they challenge the long-standing dominance of the US dollar. We believe a structurally weaker dollar lies ahead, requiring investors and asset allocators to rethink their portfolios. These adjustments are only beginning to play out. While we still see value in US assets, the more compelling opportunities, in our view, are increasingly found elsewhere.

EUROPEAN BANKS: AN UNDERRATED OPPORTUNITY

Let me explain a few specific areas where we're seeing opportunities. Starting close to home in the eurozone, we particularly like mid-cap banks. After years of being out of favour following the 2008 crisis and the eurozone sovereign crisis, European banks have significantly improved their balance sheets. The risk of a structural deflationary crisis now seems behind us. Rising interest rates have helped profitability, and the possibility of fiscal stimulus, especially in Germany, adds to the positive outlook. We hold both well-known names, like Italian banks, and less obvious ones, like Greek banks, which have recovered strongly.

Of course, reduced deflation risk also has implications for eurozone bonds. Rising government debt, even in Germany, combined with the end of the deleveraging cycle, suggests upward pressure on bond yields. Yet many investors remain heavily exposed to eurozone sovereign debt via benchmarked portfolios. That's a risk we think is important to highlight.

CHINA: FROM UNINVESTABLE TO ESSENTIAL

Another area is China. Chinese equities were widely considered uninvestable until recently due to political uncertainty, regulatory crackdowns, and the real estate crisis. But we think that view is outdated.

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Since the early trade tensions under the first Trump administration, China has spent 6-7 years repositioning itself, investing heavily in high-value sectors like semiconductors, electric vehicles, and nuclear energy.

Today, Chinese firms are quietly starting to dominate in some of these industries. Our exposure isn't limited to Chinese tech giants, but also includes domestic consumption plays: hotels, insurance, and even high-end liquors. Thanks to our in-house expertise – including a team member who spent 15 years living in China – we're able to access less obvious but compelling opportunities.

EMERGING MARKETS: CREDIT, CURRENCIES, AND A NEW CHAPTER

We also continue to find opportunities in emerging markets, especially on the credit side. Countries in Latin America and parts of Asia are in stronger positions than they were in past crises. Over the past two decades, they've built up reserves and strengthened their balance sheets. In the context of a weakening dollar, we think EM credit, particularly in Latin America, looks attractive. For example, we've recently opened positions in Brazilian banks, and we like Brazil not only for its relative insulation from US-China trade tensions, but also because of signs of fiscal and inflationary improvements.

The broader EM story today isn't about EM versus developed markets. It's about selecting the right countries and opportunities. That's a big shift, and it requires a nuanced approach.

GOLD: A KEY STRATEGIC HEDGE

We continue to maintain a long-standing, large allocation to gold. In a world where the US is willing to freeze foreign dollar reserves, many global central banks are moving away from the dollar. There's still no obvious alternative reserve currency, which is why we believe gold remains the most viable alternative. While professional and retail investors

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For us, gold is a long-term hedge against financial instability.

COMMODITIES AND REAL ASSETS

Finally, we continue to pursue thematic and real asset opportunities. Uranium is one example – we were early in identifying the opportunity there, and we're not afraid to take positions that aren't found in traditional benchmark-driven portfolios. Indeed, this is the essence of what our multi-strategy, unconstrained approach allows: the freedom to construct different, high-conviction portfolios that can genuinely add value.



Performance since launch

As at end of April 2025

Plenisfer Destination Value Total Return

IX USD Acc.

ISIN: LU2087694050

1M	YTD	12M	3Y ann.	5Y ann.	10Y ann.	Since launch annualised	Since launch cumulative
1.71%	8.23%	12.11%	7.33%	7.31%	n/a	7.44%	42.21%

Plenisfer Destination Value Total Return

IYH EUR Dis.

ISIN: LU2087694647

1M	YTD	12M	3Y ann.	5Y ann.	10Y ann.	Since launch annualised	Since launch cumulative
-0.90%	3.49%	7.62%	4.60%	6.41	n/a	6.41%	36.38%

DESTINATION VALUE TOTAL RETURN FUND [\[factsheet\]](#)

AUM	€1.4 bn (end of April 2025)
Inception date	04 May 2020
Benchmark	-
Currency	USD
Domicile	Luxembourg
Investment manager	Plenisfer Investment Management SGR S.p.A
Management company	Generali Investments Luxembourg S.A.
Risk level SSRI	4/7

IMPORTANT INFORMATION:

This marketing communication is related to Plenisfer Investments SICAV, a Luxembourg UCITS-SICAV, and its Sub-Fund Destination Value Total Return, altogether referred to as "the Fund" and is only intended for professional investors in the EU/EEA countries, where the Fund is registered for distribution - Not for retail investors, nor U.S. Persons. Plenisfer Investments SICAV is a Foreign Collective Investment Scheme registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores) under registration number 2018. Please note that the objective of this Fund is to achieve a superior risk adjusted total return over the market cycle. Realising long-term capital appreciation and underlying income through a long term focus on valuation and the market cycles is paramount to achieving the Fund's objectives. The Fund is actively managed. Fund seeks to achieve its objectives by investing globally with exposure in both Organisation for Economic Cooperation and Development (OECD) and non-Organisation for Economic Cooperation and Development (non-OECD) markets. This marketing communication is issued by Generali Asset Management S.p.A. Società di gestione del risparmio and Generali Investments Luxembourg S.A. Before making any investment decision, investors must read the Prospectus, its SFDR Appendix and the Key Information Document ("KID"). The KIDs are available in one of the official languages of the EU/EEA country, where the Fund is registered for distribution, and the Prospectus/its SFDR Appendix are available in English (not in French) at www.generali-investments.lu or upon request free of charge to Generali Investments Luxembourg S.A., 4 Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, e-mail address: GILfundinfo@generali-invest.com. Information regarding the Facilities and the Distributor for your country is available at the following link: <https://www.generali-investments.lu>. The Management Company may decide to terminate the arrangement made for the marketing of the Fund. The contents of this document, including any opinions, do not constitute legal, tax or investment advice. Prior to making any investment decision, investors must read the Prospectus, paying particular attention to section "6. Risk," which provides a comprehensive list of risks associated with the investment, as all investments inherently carry risks. Source / Issued by Generali Asset Management S.p.A. Società di gestione del risparmio, authorized as Italian asset management company and appointed to act as promoter of the Fund in the EU/EEA countries, and Generali Investments Luxembourg S.A., authorized as a UCITS Management Company and Alternative Investment Fund Manager (AIFM) in Luxembourg.