

## 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>	Mauro VALLE / Fabrizio VIOLA
<b>BENCHMARK</b>	100% BARCLAYS MSCI EURO GREEN BOND INDEX (TR)
<b>FUND TYPE</b>	Sicav
<b>DOMICILE</b>	Luxembourg
<b>SUB-FUND LAUNCH DATE</b>	16/12/2019
<b>SHARE CLASS LAUNCH DATE</b>	18/12/2019
<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>	LU2036759335
<b>BLOOMBERG CODE</b>	GEGBCIE LX
<b>VALUATION</b>	
<b>AUM</b>	156.19 M EUR
<b>NAV PER SHARE</b>	103.48 EUR
<b>HIGHEST NAV OVER THE LAST 12 MONTHS</b>	104.41 EUR
<b>LOWEST NAV OVER THE LAST 12 MONTHS</b>	93.11 EUR
<b>FEES</b>	
<b>SUBSCRIPTION FEE</b>	max. 5%
<b>MANAGEMENT FEE</b>	0.3500%
<b>CONVERSION FEE</b>	max. 5%
<b>REDEMPTION FEE</b>	max. 1%
<b>PERFORMANCE FEE</b>	n.a.
<b>TER</b>	0.49%

## CATEGORY AND RISK PROFILE

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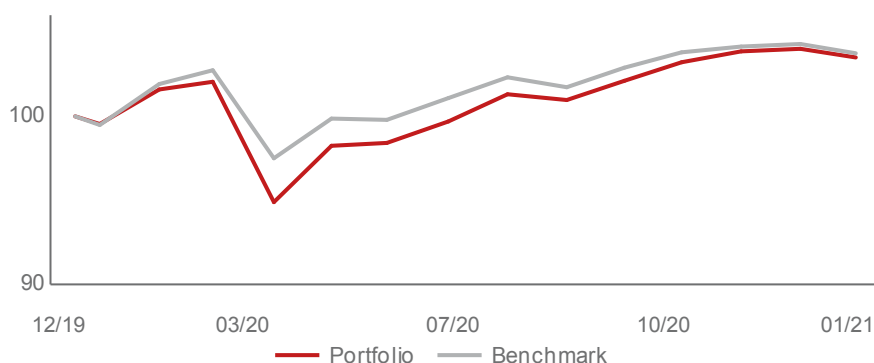
1	2	3	4	5	6	7
Lower risk Potentially lower rewards			Higher risk Potentially higher rewards			

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 investing in Green and Sustainable Bonds denominated in Euro. The Fund shall invest at least 70% of its net assets in Green and Sustainable Bonds denominated in Euro, with an Investment Grade Credit Rating, selected from the investment universe defined by the Benchmark, based on established "Green Bond Principles". The Fund may invest up to 30% of its net assets in Green and Sustainable Bonds, or other bonds, that are not constituent of the Benchmark. The Fund may invest on an ancillary basis in convertible bonds, in standardized credit default swaps, in Money Market Instruments, bank deposits, and may use financial instruments and derivatives for hedging purposes. The Fund may hold equities following the conversion up to 10% of its net asset, for a period of 3 months maximum. The maximum non-euro currency exposure cannot exceed 30% of the net assets of the Fund. All issuers of bonds, convertible bonds and reference obligations underlying credit default swaps will be subject to a proprietary ethical filter. None of the net assets of the Fund may be invested directly in equities and other participation rights.

## PERFORMANCE ANALYSIS AT 29 JANUARY 2021



	1M	YTD	1YR
Portfolio	-0.51	-0.51	1.86
Benchmark	-0.53	-0.53	1.79
Excess return	0.02	0.02	0.07

	SI	SI P.A.	2020
Portfolio	3.48	3.11	4.49
Benchmark	3.74	3.34	4.82
Excess return	-0.26	-0.23	-0.33

	01/21-01/20
Portfolio	1.86
Benchmark	1.79
Excess return	0.07

## KEY FEATURES

- A responsible investing approach for today and tomorrow through bonds that finance green, sustainable projects
- A liquid, transparent strategy that makes a real, positive impact on environmental issues, for example climate change and the energy transition
- Helps reduce the carbon footprint of an existing investment portfolio
- Benefits from a cautious and active investment approach through rigorous selection of green investment-grade, diversified bonds with high average rating.

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 View

December has seen a new increase in global new cases of Covid-19, also fueled by the development of a more contagious strain of the virus. After an initial spike in Covid-19 cases, most likely fueled by the winter holidays and by the new and more contagious strains of the virus, new infections are slowing down. During January, vaccines started to be widely distributed: around 85 million doses have been administered globally. In the US, the year has begun with a series of protests from Trump supporters attempting to reverse the results of the 2020 presidential elections. As a result, former President Trump has been impeached for "incitement of insurrection" becoming the first US President to have been impeached twice. Later in the month, Joe Biden took office as the 46th president of the United States and Kamala Harris became the first US female vice president. In his first days of presidency, Biden announced a new federal plan to deal with the virus and signed several pandemic-related executive actions, reversed the withdrawal from the WHO, rejoined the Paris Agreement on climate change and announced a new \$1.9 trillion pandemic relief plan proposal. At its January meeting, the Fed decided to keep interest rates stable and to keep buying at least \$120 billion a month for its asset purchase program. It also stated that the path of the economy will depend on the course of the virus, including progress on vaccinations in its watchlist. In the Euro Area, the worsening of the pandemic situation in the first part of the month, along with the spread of more infectious virus mutations, triggered tighter stringency measures across all economies. That said, vaccination rollout has started and during the month around 22 million doses have been administered across Europe, even if production bottlenecks and logistical problems will likely delay the point in which substantial easing of stringency measures will be allowed. Activity is receding at the start of the year: the composite PMI fell to 47.5, remaining in the contractionary territory. In Italy, a government crisis erupted following Italia Viva's withdrawal from the majority coalition, raising also uncertainties about the spending plan for over €200 billion from the EU Recovery Fund. At its December meeting, the ECB saw no need to act. President Lagarde praised again the merits of the PEPP, implying the governments now need to do their part with a fast implementation of the Recovery Fund. In January, the US 10-year yield increased by 18 bps to 1.09% and the 10-year Bund increased 6 bps to -0.52%. The Italian spread slightly widened to 117 bps, also due to the renewed uncertainties from the government crisis. The Spanish spread barely moved, going from 63 bps to 62 bps. In the Euro Area, investment grade (IG) credit spread remained stable at 93 bps and high yield (HY) spread further tightened by 12 bps to 343 bps. In the US, IG and HY spreads slightly tightened by 1 and 7 bps, respectively. In January the MSCI Euro Green Bond Index returned -1,23% absolute, all driven by rates moves on the long end as indeed excess return over government bonds was just -0,08%.

### Portfolio Activity

In January we stopped a bit our turnover activity in the credit space and we limited to three primary deals. In particular we subscribed Sagax 2028, Tesco 2029 and Acea 2030 green senior bonds. Moving to govies side, we subscribed EIB 0.01 05/15/41 and approaching the end of the month we reduced the hedging on Italian risk given the positive view on the political situation.

### Outlook

The central banks worldwide accommodative stance aimed to support the economies using all their monetary policy tools, it is a positive factor for the rates environment especially for core and semi-core space. In particular, the PEPP can be considered as a backstop in Eurozone for the spread widening. Like in 2016, the CSPP (Corporate Sector Purchase Programme) should limit widening, and more so as the Fed is now also a buyer of corporate bonds. The system of government guarantees and bailout funds, as well as intense central bank buying in IG space, will reduce the liquidity risk and facilitate the reopening of primary markets. At the same time, vaccination rollout improves the expectations on pandemic situation as well as the global growth recovery. The portfolio will continue to be invested maintaining the same average rating and the same level of diversifications. The duration exposure will be managed in the range 8 - 10 years with a tactical approach.

## HOLDINGS & TRANSACTIONS

### TOP 10 FIXED INCOME

HOLDING	SECTOR	RATING	GROSS %
FRANCE O.A.T. 1.75 06/25/39	Sovereigns	AA	6.73%
CCTS EU 07/15/23	Sovereigns	BBB-	3.23%
EUROPEAN INVT BK 0.01 11/15/35	Supranationals	AAA	2.78%
IRISH GOVT 1.35 03/18/31	Sovereigns	A+	2.71%
NETHERLANDS GOVT 0.5 01/15/40	Sovereigns	AAA	2.39%
BELGIAN 0346 1.25 04/22/33	Sovereigns	AA-	2.35%
DEUTSCHLAND REP 0 08/15/30	Sovereigns	AAA	2.03%
BTPS 0.95 03/01/37	Sovereigns	BBB-	1.91%
EUROPEAN INVT BK 0.01 05/15/41	Supranationals	AAA	1.91%
CCTS EU 01/15/25	Sovereigns	BBB-	1.89%
<b>Total Top 10 (%)</b>			<b>27.93%</b>
<b>Total Top 20 (%)</b>			<b>42.07%</b>

### TOP 3 SALES OVER THE LAST MONTH

HELLENIC REPUBLI 1.875 02/04/35

### TOP 3 PURCHASES OVER THE LAST MONTH

BTPS 0.95 03/01/37

EUROPEAN INVT BK 0.01 05/15/41

CHILE 1.25 01/22/51

## RATIOS

### PERFORMANCE AND RISK ANALYSIS - SYNTHESIS

	1YR	SI
Standard Deviation Ptf	6.83	6.50
Standard Deviation Bmk	5.42	5.23
Tracking Error	2.18	2.05
Alpha	-0.01	-0.02
Beta	1.21	1.19
R-squared	0.93	0.92
Information Ratio	0.03	-0.11
Sharpe Ratio	0.33	0.53
Treynor Ratio	1.77	2.81
Sortino Ratio	0.39	0.63

### DRAWDOWN

	SINCE INCEPTION
Maximum drawdown (%)	-8.0
Peak to trough drawdown (dates)	Mar 20 - Mar 20
Length (in days)	14
Recovery Period (in days)	196
Worst Month	March 2020
Lowest Return	-7.0
Best Month	April 2020
Highest Return	3.5

### FINANCIAL RATIO - FIXED INCOME

	FUND	BENCHMARK
Z-Spread	36.12	23.21
DTS (Duration Times Spread)	349.73	211.21
Average Rating (2nd best)	A	A+
Modified Duration	9.52	9.04
Effective Duration	8.15	9.02
Average Time to Maturity	10.57	9.83
Yield to Maturity	0.39	0.12
Current Yield	0.83	0.41
Average Coupon	0.90	0.92

### MODIFIED DURATION EVOLUTION



## BREAKDOWNS

■ Fund ■ Benchmark ■ Relative

COUNTRY	NET		RELATIVE	
France	24.0%	31.7%	-7.7%	
Italy	15.3%	3.5%	11.7%	
Germany	10.0%	15.5%	-5.5%	
Spain	9.6%	6.3%	3.3%	
Netherlands	9.3%	10.0%	-0.7%	
Supranational	5.7%	7.3%	-1.6%	
Belgium	4.8%	4.1%	0.7%	
Others	19.2%	21.7%	-2.5%	
Cash	2.1%			

SECTOR	NET		RELATIVE	
Sovereigns	31.5%	24.1%	7.4%	
Financials	25.9%	18.4%	7.6%	
Utilities	15.8%	16.6%	-0.8%	
Agencies	7.6%	13.3%	-5.7%	
Supranationals	6.4%	3.9%	2.5%	
Real Estate	3.7%	2.6%	1.0%	
Materials	2.3%	0.2%	2.2%	
Others	4.6%	21.0%	-16.4%	
Cash	2.1%			

RATINGS (2ND BEST)	NET		RELATIVE	
AAA	12.4%	23.7%	-11.3%	
AA	18.4%	30.5%	-12.1%	
A	22.6%	21.4%	1.2%	
BBB	44.8%	24.4%	20.4%	
Not Available	-0.3%		-0.3%	
Cash	2.1%			

MATURITY	NET		RELATIVE	
0-1Y	0.8%	3.0%	-2.2%	
1-3Y	7.4%	7.5%	-0.1%	
3-5Y	11.3%	19.3%	-8.0%	
5-10Y	41.1%	36.7%	4.4%	
10-20Y	30.1%	28.7%	1.5%	
Over 20Y	7.5%	4.9%	2.6%	
Not Available	-0.3%		-0.3%	
Cash	2.1%			

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)  
The above holdings are neither representative of the overall portfolios 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.

#### 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

#### 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. It is recommended to look over the regulation, available on our website [www.generali-investments.com](http://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](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. 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.

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