

GENERALI INVESTMENTS SICAV

SRI Ageing Population



Fund Factsheet as at 30/06/2019 - BX Accumulation Shares

Investment objective and policy

The objective of the Fund is to provide a long-term capital appreciation investing in equities of Environment, Social and Governance (ESG) compliant companies selected through an analysis process defined and followed by the Investment Manager across sectors identified as those which could most benefit from the long-term demographic trend of the ageing of the population. The Fund shall invest at least 90% of its net assets in listed equities issued by European companies compliant with ESG criteria. For the purposes of the Fund, European companies are companies listed on a stock exchange, or incorporated, in Europe. The Fund may also invest up to 10% of its net assets in Money Market instruments, government bonds, corporate bonds, convertibles and participation rights not focusing on sustainable development issued by European companies. 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

Lower risk Potentially lower rewards			Higher risk Potentially higher rewards			
1	2	3	4	5	6	7

Key data

Mgmt. co.: Generali Investments Luxembourg S.A.
Investment manager: Generali Investments Partners S.p.A. Società di gestione del risparmio
Sub-fund manager(s): Olivier Cassé/Giulia Culot
Benchmark: No official benchmark - From 10 July 2017, the MSCI Europe Net Total Return Index is used by the fund managers as internal comparison index.
Fund type: SICAV
Domicile: Luxembourg
Launch of sub-fund: 12/10/2015
Launch of share class: 16/10/2015
First NAV date after dormant period: n.a.
Currency: EUR
Custodian: BNP Paribas Securities Services S.C.A.
ISIN: LU1234787205
Bloomberg code: GLSRIX LX

Valuation

AuM: 519.83 mil EUR
NAV per share: 127.67 EUR
Highest NAV over the last 12 months: 127.96 EUR
Lowest NAV over the last 12 months: 106.21 EUR

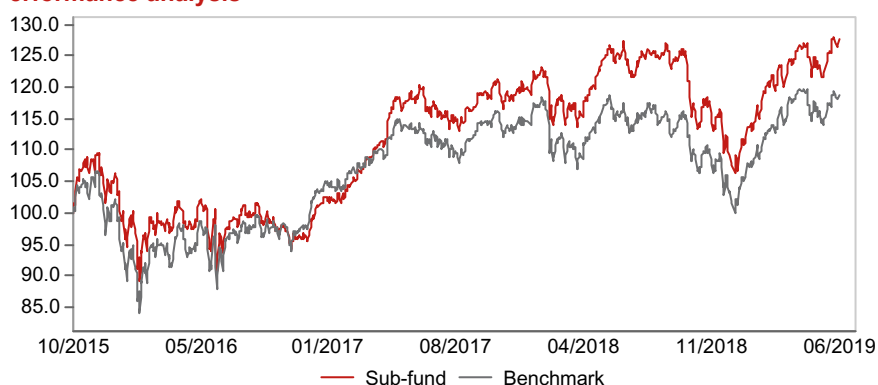
Fees

Subscription fee: max. 5%
Management fee: 0.75%
Conversion fee: max. 5%
Redemption fee: max. 1%
Performance fee: n.a.
Ongoing charges: 0.92% (31/12/2018)

Dealing details for professional investors

Cut off time: T at 1 pm (T being the dealing day)
Settlement: T+3
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	5.03 %	4.44 %	17.10 %	4.05 %	33.99 %	-	10.46 %	-
Benchmark	4.43 %	3.01 %	16.25 %	4.46 %	28.08 %	-	8.78 %	-

	Since inception	2018	2017	2016	2015	2014
Sub-fund	27.67 %	-8.70 %	17.68 %	-4.33 %	-	-
Benchmark	18.88 %	-10.57 %	10.61 %	1.69 %	-	-

	Q02/2018- Q02/2019	Q02/2017- Q02/2018	Q02/2016- Q02/2017	Q02/2015- Q02/2016	Q02/2014- Q02/2015
Sub-fund	4.05 %	5.59 %	21.96 %	-	-
Benchmark	4.46 %	2.44 %	19.70 %	-	-

Statistics

	Sub-fund	Benchmark
Beta*	0.99	1.00
Correlation*	0.95	1.00
Information ratio*	-0.10	-
Sharpe Ratio*	0.34	0.39
Annualized Tracking Error*	4.04	0.00
Annualized Standard Deviation*	12.70	12.19
Value at Risk (20 days, 99%)	6.08	-

*calculated over a 1-year period

Top 10 holdings (absolute weights)

	Sector	Weight %
Roche Holding AG	Health Care	3.89
Koninklijke Philips N.V.	Health Care	3.82
L'Oreal SA	Consumer Staples	2.98
LVMH Moët Hennessy Louis Vuitton SE	Consumer Discretionary	2.95
Prudential plc	Financial	2.87
Beiersdorf AG	Consumer Staples	2.83
Koninklijke DSM N.V.	Materials	2.69
AstraZeneca PLC	Health Care	2.44
Merck KGaA	Health Care	2.38
Compagnie Financiere Richemont SA	Consumer Discretionary	2.18

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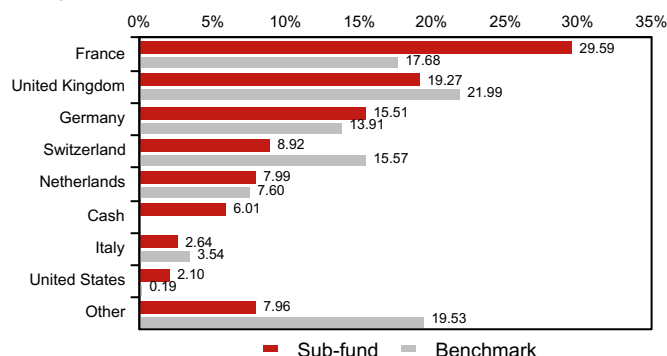


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Financial ratios

	Sub-fund
P/Book Value	2.30
LTM P/E	22.00
NTM P/E Median	18.02
ROE (%)	13.90
Dividend Yield (%)	2.30
3 Year Earnings Growth (%)	9.20

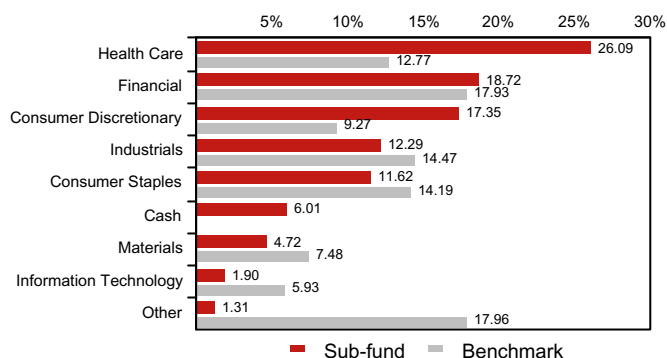
Country breakdown



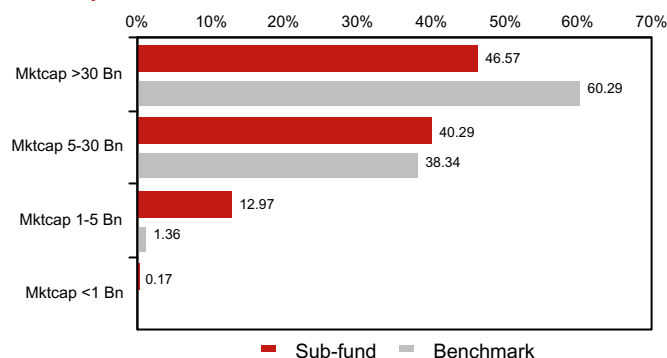
Breakdown by asset class

Asset class	Sub-fund	Benchmark
Equity	93.99 %	100.00 %
Cash	6.01 %	-

Sector breakdown



Market cap breakdown



Key features

- Benefits from a thematic investment approach focusing on the “grey power” and companies exposed to this demographic shift, expected to generate above than average returns over the mid to long term
- Invests in a portfolio of European stocks with exposure to the theme in Europe but also globally
- Gains access to fully SRI compliant portfolio, through our dedicated specialist SRI team and process
- Takes advantage of the stock-picking skills and proprietary valuation models of our European equity team

www.generali-investments.com

Source: Generali Investments Partners 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). The management company of Generali Investments SICAV is 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 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-Italiane. 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..

Fund Manager Comment

Market review

In June, with both the ECB and the Fed signaling that policy easing was coming, markets went up, in particular European equity markets, gaining more than 4% (MSCI Europe) with a positive skew towards more cyclical sectors (Materials +8%, Consumer Discretionary +8%, Industrials +7%) over rate-sensitive ones (Real Estate -5%, Consumer Staples +2%), despite the uncertain economic environment and the decline in interest rates (10-year US and German yields declined respectively by -14bps and -13bps).

The sub-fund delivered in this context a positive return of +5%, helped by robust and similar performances from each of the three investment pillars: Pension & Savings, Consumption and Healthcare.

Over the month, the **CONSUMERS'** pillar was mainly supported by cyclical names in segments such as Luxury, Transportation, Security and Leisure. Trigano, Accor, Assa Abloy and Compagnie Financiere Richemont gained respectively +19%, +14%, +14% and +13%. Most of these companies had underperformed and were excessively impacted by rising uncertainty regarding the economic cycle. More broadly, we think that the upcoming publication of half-year results may be the opportunity for these companies to reassure investors about their sustainable profitability in a more adverse environment. Conversely, Technogym, Ontex and Royal Caribbean were among the top detractors (down -2 / -5%) for different reasons: profit taking with no obvious reasons for the Italian specialist in gym equipments, weakening confidence in the top management for the Belgian diapers' manufacturer and mixed prospects in the Caribbean area for the cruise segment.

The **PENSION & SAVINGS** pillar benefitted from its exposure to the Asset Management / Gathering industry with Julius Baer and Anima (up by more than +10%). Life insurers such as Prudential (up +7%) also delivered decent return despite declining interest rates that could hurt its profit margins. Most of these players have launched new products / solutions in the last months that are less interest rate sensitive and capital intensive. Accordingly, we believe this change in business/product mix explains the lower correlation with interest rates. Scor, one of the main underperformer since the beginning of the year following Covea's decision to stop any discussion for a potential acquisition, recovered (up +5%) thanks to pricing improvements at the mid-year renewals.

Lastly, the performance of the **HEALTHCARE** pillar was supported by some strong convictions we previously discussed in the past: Ipsen and Philips, respectively up +12% and +8%. Following a Capital Market Day in May, the top management of the French Pharmaceutical group succeeded in reassuring investors about the competition risk for Somatuline (its blockbuster in Neurosciences) and in convincing about the potential market for palovarotene (from its latest acquisition). Conversely, Korian, down -4%, was affected by the partial sale of the stake held by PSP Investments' (a Canadian pension fund).

The most relevant contributors in June were:

- On the positive side: LVMH (+11%), Philips (+8%), Compagnie Financiere Richemont (+13%)
- On the negative side: Korian (-4%), Technogym (-5%), Ontex (-4%)

Portfolio Activity

We kept our positioning almost unchanged in June. Among the main transactions, following several meetings with the top management, we slightly reinforced our conviction in Legal & General, a clear winner in the buoyant market of the bulk annuities in UK.

At the end of the month, the respective weightings of Consumers, Healthcare and Pension & Savings were 52%, 28% and 20%.

Outlook

Ageing population is a structural growth theme supporting above average returns over time. Businesses within our investment pillars of Healthcare, Pension & Savings and Consumers are expected to grow faster than global GDP over the coming years and to show lower cyclicality. Examples include travel & leisure, asset management, oncology, incontinence, anti-ageing cosmetics, vitamins and dietary supplements.