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PLENISFER DESTINATION DYNAMIC INCOME TOTAL RETURN

THE 'NEW ACTIVE' APPROACH TO FLEXIBLE GLOBAL BONDS



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With the Plenisfer Destination Dynamic Income Total Return fund reaching its one year anniversary in May, Mauro Ratto explains how making a strong call on inflation has led to positive returns.

- The Plenisfer Destination Dynamic Income Total Return focuses solely on total return, covering sovereign and corporate bonds from across the global fixed universe.
- From the outset, our portfolio has reflected the shift in trends. We identified inflation as a persistent threat, shaping our strategy to maintain relatively short to medium-term duration while seeking opportunities in credit spreads.
- We believe global fixed income markets present plentiful opportunities for an unconstrained, multi-strategy approach, offering higher returns with lower volatility, particularly in the context of subdued equity yields.

The 'new active' approach¹

The **Plenisfer Destination Dynamic Income Total Return** (the "Dynamic Income fund") is part of a range of funds that all share the same multi-strategy approach that defines our investment philosophy. In essence, we believe that investing has fundamentally shifted into a new environment, which calls for an entirely different investment approach to deliver returns. In contrast to the previous twenty years, investors now face higher inflation, tightening liquidity, and a shortage of labour and materials.

That is why we do not allocate by asset class in any of our funds, but through complementary strategies that are entirely unconstrained, allowing us to access opportunities outside of benchmarked products. In the Plenisfer Dynamic Income fund, our core strategy emphasizes income, with a focus on rotating sectors to capitalize on the best opportunities, ensuring stable and sustained carry. Complementing this are special situations, where we select idiosyncratic bond opportunities, including distressed debt and sovereigns, to enhance returns. We also implement a macro strategy, allocating to long and short positions on rates and currencies, and utilizing derivatives for relative bets.

We call this multi-strategy approach 'the new active'. It aims to optimise the convexity of the portfolio compared to market betas while mitigating volatility, by finding idiosyncratic opportunities with the potential to deliver specific performance outcomes.² Our unconstrained, goal-based approach aims to avoid the overcrowding and overconcentration of risk that we believe is all too common in the asset management industry.

A strong first year defined by inflation views

As an unconstrained bond fund, Plenisfer Dynamic Income focuses solely on total return. We cover sovereign and corporate bonds from across the global fixed universe, aiming for diversified returns

through capital appreciation and income generation, targeting the best opportunities.

What sets us apart is our team's ability to thoroughly evaluate risk-adjusted potential returns across the entire capital structure and credit curve, seamlessly navigating senior bonds to junior bonds, across all credit ratings. Additionally, our differentiated macroeconomic analysis plays a significant role in shaping our portfolio.

From the outset, our portfolio has reflected the shift in trends. We identified inflation as a persistent threat, shaping our strategy to maintain relatively short to medium-term duration while seeking opportunities in credit spreads. This strategic combination led to a 9% net return³ in EUR, positioning the fund in

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the first quartile for flexible global bonds. Our risk management has kept volatility below 2% since inception.

Looking closer, monthly performance has remained strong, even during challenging market periods.⁴ For instance, we performed positively in September and October last year while others struggled, helped by our income-generating strategy that focuses on sectors like financials, energy, telecoms, and utilities.

MILESTONE

This month, we are proud to announce that Plenisfer Investments celebrates a key milestone:

- The **1-YEAR ANNIVERSARY** of the new **Plenisfer Destination Dynamic Income fund** (download the factsheet [here](#))

¹ There is no guarantee that an investment objective will be achieved or that capital will be preserved. The Fund does not benefit from any capital protection guarantee.

² This Fund is not a guaranteed product. Investments involve risks. You may not recover the initial investment. You may lose part or all of the initial investment. Investment can result in financial loss, as there is no capital guarantee.



Outlook: Combining spread and duration exposure

We're monitoring US unemployment numbers, and while we don't foresee a recession, we anticipate slower growth. Therefore, our positioning has been conservative compared to competitors, using TIPS to add duration to the portfolio without generating negative carry.

While economic conditions in Europe and the UK differ, we anticipate a convergence towards previous inflation levels. Consequently, our investment approach capitalizes on opportunities in sovereign and credit spreads.

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Adding to the complexity is the uncertainty surrounding central banks' future actions on rate cuts. Unconstrained strategies can offer the advantage of combining duration and spread exposure effectively.

Our investment strategy continues to focus on quality companies offering attractive spreads, often within the crossover area between investment grade and high yield (BBB to BB) and the short-medium

part of the yield curve. This approach has allowed us to deliver significant alpha.

To mitigate credit risk, our strategy involves moving down the capital structure rather than along the credit curve. For example, we prefer hybrid debt issued by high-quality companies in the energy and telecom sectors. These securities offer relatively shorter-term calls and attractive returns compared to investment grade bonds.

We like opportunities in the banking sector, particularly in an environment characterized by higher interest rates and inflation. Additionally, we like certain segments of emerging markets, especially Latin America, focusing on high-quality names in the crossover space. We also explore special situations and investments in convertibles, leveraging our team's experience and expertise to navigate diverse market conditions effectively.

In the current environment, characterized by elevated equity valuations and geopolitical uncertainties, we believe global fixed income markets present plentiful opportunities for an unconstrained, multi-strategy approach, offering higher returns with lower volatility, particularly in the context of subdued equity yields.



Based in Italy, Plenisfer Investments SGR are goal-based investors, offering unconstrained, total return, multi-asset strategies.

Their 'New Active' investment philosophy allocates to strategies rather than asset classes. They focus on identifying idiosyncratic opportunities across a global opportunity set, and do not differentiate between traditional and alternative asset classes. This holistic approach allows the team to build outcome-oriented portfolios.

Plenisfer Investments is part of the Generali Investments platform.

KEY FACTS as at May 2024

Fund Manager	Plenisfer Investments team	SFDR Classification	Article 8
ISIN (IX, EUR, Cap)	LU2597958854	Entry / Exit charge (%)	0% / 0%
Inception Date	12 May 2023	Management fee	0.74%
Investment objective	The objective of this Fund is to achieve an attractive risk adjusted total return through medium-term capital appreciation and income generation	Performance fee	1.27%
Currency	EUR	Investment Manager	Plenisfer Investments
Domicile	Luxembourg	Management Company	Generali Investments Luxembourg

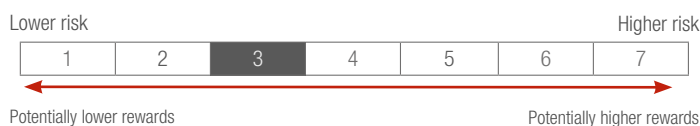
³ Net performance recorded as of May 8, 2024 – Past performance does not predict future results. Annual performance for share class AV Distribution Class LU2597958854 in EUR, Dividend distributed, net of fees with the exception of entry and exit fees.

⁴ Past performance does not predict future results. This Fund is not a guaranteed product. Investments involve risks. You may not recover the initial investment. You may lose part or all of the initial investment. Investment can result in financial loss, as there is no capital guarantee.



Investment Objective & Policy: The objective of the Sub-Fund is to achieve an attractive risk adjusted total return through medium-term capital appreciation and income generation. The Sub-Fund seeks to achieve its objective by investing dynamically across the global fixed income asset class, in both Organisation for Economic Cooperation and Development (OECD) and non-Organisation for Economic Cooperation and Development (non-OECD) markets. The Sub-Fund will vary its exposure across the fixed income asset class with a strong focus on credit fixed income instruments plus a complement of other instruments with relevant carry elements. The Fund is actively managed and there is no guarantee that an investment objective will be achieved or that a return on capital will be obtained. The product does not benefit from any guarantee to protect the capital.

SUMMARY RISK INDICATOR



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class.

Recommended holding period: 4 years

Main risks of the Fund: interest rate risk, credit risk, emerging markets risk (including China). There is no predetermined limit to exposure to emerging markets. Therefore, the risk of emerging markets may sometimes be high, frontier market risk, currency risk, volatility risk, liquidity risk, derivatives risk, uncovered exposure risk, distressed debt securities risk, securitized debt risk, contingent convertible securities risk ("CoCos"), Securities under Rule 144A / Regulation S, Equity risk, Commodities risk. Capital loss risks: this fund is not a guaranteed product. You may not receive part or all of the initial amount invested. Considering the investment strategies that characterize the Compartment, the expected level of financial leverage of this Compartment may vary up to 350%, excluding the total net asset value of the portfolio. The use of financial leverage can increase the risk of potential losses. This is not an exhaustive list of risks. Other risks may occur. Before making any investment decision, please read the Key Investor Information Document (KID) and the Prospectus, available at the following link: <https://www.generali-investments.com/it/en/institutional/fund-page/plenisfer-investments-sicav-destination-dynamic-income-total-return-ay-distr-LU2597958854>

Reference Currency of Fund: EUR. When a sub-fund or class is denominated in another currency than the one of your country, or when costs are partially or fully paid in another currency than yours, then costs and performances may increase or decrease as a result of currency and exchange rate fluctuations.

Costs: Class A, Share: Y EUR Distribution (ISIN: LU2597958854, registered in Austria, Germany, Ireland, Italy, Luxembourg, Spain and Switzerland). One-time costs upon entry or exit: **Entry costs: 0%**, there is no entry fee for this product. **Exit costs: 0%**, we do not charge any exit fees for this product. The percentage of entry and exit fees is based on the NAV. Ongoing costs reported annually: **Management fees and other administrative or operational costs: 0.74%** (including management fee: max 0.50% per year) of the investment value per year. This is an estimate based on actual costs over the last year. **Transaction costs: 0.10%** of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. **Performance fee: 1.27%** The performance fee is calculated in accordance with the "High Water Mark with Performance Fee Benchmark" mechanism with a Performance Fee Rate of 15.00% per annum of the positive return above the "€STR Index".

The performance fee and management fee are calculated and, where applicable, accrued separately for each share class within a compartment on each valuation day.

Costs may increase or decrease depending on currency fluctuations and exchange rates.

This is not an exhaustive list of costs. Other costs apply and vary depending on the share class. Before making any investment decision, please read the Prospectus and the Key Investor Information Document (KID), especially the sections regarding risks and costs, available at the following link: <https://www.generali-investments.com/it/en/institutional/fund-page/plenisfer-investments-sicav-destination-dynamic-income-total-return-ay-distr-LU2597958854>

SFDR Classification: The Fund promotes, among other features, environmental or social characteristics according to Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). The Fund is not an Article 9 under SFDR (it does not have sustainable investment as its objective). For all information on SFDR (Sustainable Finance Disclosure), please refer to Annex B of the Prospectus ("pre-contractual document"). Before making an investment decision, please also consider all ESG characteristics or objectives, approach, binding elements, and methodological limits contained in the SFDR pre-contractual information, as well as the Product Information Summary on the website, available in English or an official language of your country of residence, at the following link: <https://www.generali-investments.lu/it/en/private/about-us-sfdr>

IMPORTANT INFORMATION

This marketing communication relates to Plenisfer Investments SICAV, a société d'investissement à capital variable (SICAV) under Luxembourg law of 17 December 2010, qualified as an investment company in securities (UCITS), and its Compartment, "Destination Dynamic Income Total Return Fund," collectively referred to as "the Fund." This marketing communication is intended for investors in Italy, France, Austria, Germany, Spain, Portugal and Luxembourg, where the Fund is registered, and is not intended for U.S. persons as defined in Regulation S under the United States Securities Act of 1933, as amended.

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Please consult your tax advisor to understand the impact of taxes on your returns. The existence of registration or approval does not imply that a regulatory authority has determined that these products are suitable for investors. It is recommended to carefully consider the terms of the investment and to obtain professional, legal, financial, and tax advice, if necessary, before deciding to invest in the Compartment.

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