

## How a major demographic trend becomes an investment opportunity: Generali Investments SICAV SRI Ageing Population celebrates 4 years of harvesting awards and growing assets

Milan – The ageing of the world population is one of the most disruptive long-term trends of this century, affecting nearly all sectors of the society - from labour market and productivity to savings and consumption behavior - and thus reshaping the demand for goods and services around the seniors' needs. When this demographic trend fuels growth in some specific sectors, interesting investment opportunities also arise.

**Generali Investments SICAV (GIS) SRI Ageing Population** has successfully captured for the last four years the investment opportunities offered by the ageing population mega-trend, and celebrates its fourth anniversary by posting a positive performance of +33.70% (DX Share) since inception\* (to be compared to the lower performance recorded over the same period by the MSCI Europe Net Total Return index, that is used as an internal comparison index), and passing the **€600 million** mark in assets under management, with a well-diversified client base that includes both retail and institutional investors\*\*.

Performance comparison\*:

	Since inception (16 October 2015)	3 Years	1 Year	YTD 2019
<b>GIS SRI Ageing Population</b>	33.70%	39.80%	18.84%	25.87%
<b>MSCI Europe Net Total Return</b>	25.54%	28.87%	16.67%	23.50%

The success of the comprehensive sustainability strategy of GIS SRI Ageing Population is confirmed by important recognitions\*\*\* :

- In Germany, the **FNG Label 2020** by the Qualitätssicherungsgesellschaft Nachhaltiger Geldanlagen (QNG);
- In France, the **Label ISR** (SRI Label), supported by the French Ministry of the Economy & Finance, for the period 2017-2020;
- In Italy, the sub-fund ranked **2nd in the category “Equity Thematic funds” at the Italian SRI Awards 2019**. SRI Awards are assigned on the basis of a proprietary quantitative model, which integrates 3 factors: MSCI ESG score; performance and risk over 3 years; governance.

### Rationale and investment approach

The ageing of the world's population is an inevitable long-term demographic trend that is greatly affecting our societies and economic models. Senior citizens (aged 60 and above) are growing faster than any other segment of the world population and in twenty years' time are expected to account for more than one third of Europe's total population. As more and more people live longer, and with senior citizens generally having a high purchasing power and different consumption patterns, companies will increasingly have to meet their needs in terms of new products and services.

Some sectors, such as Consumer goods, Health, and Pensions & Savings, are better positioned to benefit directly or indirectly from this demographic shift, and are thus expected to generate above-average returns over the mid to long term.

**GIS SRI Ageing Population** is managed by **Olivier Cassé** and **Giulia Culot** from Generali Investments Partners' \*\*\*\* Thematic Equity team. It is unique since it combines a long term



demographic trend as an investment theme, a fundamental equity valuation process and a fully Socially Responsible Investment (SRI) compliant portfolio.

The thematic investment and stock-picking approach focuses on European companies that offer specific products and services for senior citizens, which are set to grow at a faster pace than the rest of the world economy, based on three pillars:

- **Consumer goods:** seniors consume differently from the general population, notably when it comes to leisure activities, home care and support services. Their buying power benefits to companies with a high-end positioning such as luxury and 'ageing well' products and services (jewellery, cosmetics, gym equipment...)
- **Healthcare:** seniors are important users of medical treatments and services, benefitting players e.g. in dental implants, oncology, imaging & diagnostics
- **Pensions & Savings:** seniors possess wealth to be capitalized upon. Insurance companies specializing in life insurance or retirement savings should take advantage of this trend, particularly when pension schemes are increasingly falling short of meeting their needs.

The positive performance of the sub-fund over four years illustrates the added value of combining the SRI screening and the careful stock-picking with the thematic approach, to generate outperformance over time.

**Olivier Cassé and Giulia Culot**, portfolio managers of GIS SRI Ageing Population, commented: *"Once again, this fourth year illustrates that we can deliver good returns while investing in a responsible manner, and we are proud to share this success with more and more clients."*

\* Share class: DX Accumulation Shares.

Source: Generali Investments Partners S.p.A. Società di gestione del risparmio, GIS SRI ageing Population, share class DX, data as at 30<sup>th</sup> November 2019. Start date: 16/10/2015. 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 sub-fund will be achieved. The performance is net of fees and taxes.

**Please note that starting from July 10th 2017 the sub-fund no longer has a formal benchmark. From July 10th performance vs. MSCI Europe Net Total Return is displayed to compare the strategy's returns to those of European equity markets over time.**

\*\* Source: Generali Investments Partners S.p.A. Società di gestione del risparmio, as at end of October 2019

\*\*\* For more information on these certifications, please visit:

<https://www.fng-siegel.org/de/>,

<https://certification.afnor.org/> and <http://www.lelabelisr.fr/en/funds>,

<http://www.salonesri.it/awards/>

\*\*\*\* Full company name: Generali Investments Partners S.p.A. società di Gestione del risparmio

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