



aperture
investors

Aperture Discover Equity Fund

Q1 2025 Manager Commentary

Marketing Communication for Professional Investors in Austria, Belgium, Switzerland, Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom.

Aperture Investors SICAV Discover Equity Fund (the “Fund”) was down 17.84% net of fees in the first quarter of 2025, underperforming the Russell 2000 Total Return index (Ticker RU20INTR, the Fund’s benchmark) which was down 9.48% for the quarter.

Performance¹

Returns as of March 31, 2025 (% , net of fees)

| | Q1 2025 | YTD 2025 | 2024 | 2023 | 2022 | Since Inception ² |
|------------------------|---------|----------|-------|-------|-------|------------------------------|
| Fund ³ | -17.84 | -17.84 | 21.63 | 18.38 | -4.38 | 4.69 |
| Benchmark ⁴ | -9.48 | -9.48 | 11.54 | 16.93 | -2.95 | 5.17 |
| Relative Performance | -8.36 | -8.36 | 10.09 | 1.45 | -1.39 | -0.48 |

Past performance is not a reliable indicator of future performance and can be misleading.

Since Inception figures are annualized. Annual past performance related to ISIN LU2475550724. Performance is net of all fees except entry and exit fees (where applicable). Dividend reinvested for accumulative classes. Past performance is calculated in USD.

Quarter in Review – Q1 2025

The start of 2025 has been the most volatile period in the equity market since the onset of Covid in early 2020. After meaningful outperformance in January, the Fund underperformed its benchmark in February and March and ultimately lagged the benchmark by -8.36% for the quarter. While our concentrated, long-term oriented investment strategy is designed with the aim to generate strong absolute and relative outperformance over a market cycle, extreme periods of volatility present new opportunities and give us reason to refine our positioning.

The relative performance fluctuation was predominately a function of short-term market dynamics rather than company-specific fundamental weakness across our holdings. In fact, most of our holdings produced thesis-confirming earnings results during the quarter. Looking at Q1 performance attribution, it is worth noting that many of our top earnings-driven outperformers in 2024 were among the primary detractors over the past quarter. After a strong January, we believe that the weaker performance of the fund in February and March was driven by a historic level of de-grossing/de-risking within the U.S. equity market.

Underperformance within the Russell 2000 Index was broad-based, led by declines in momentum, growth, and high-beta stocks. Looking at the top detractors YTD, five of the top ten detractors were top winners last year. On average, these names were up more than 50% on an absolute return basis in FY24, and many of these companies have continued to offer higher idiosyncratic fundamental performance relative to peers.

The team worked diligently to develop a robust new idea pipeline and has remained patient on entry points. As stated previously, periods of market volatility like the one we have experienced since January can provide compelling opportunities for patient investors. We continue to focus on building our new idea pipeline with companies that we believe fit our criteria, and this quarter was no different. The team remained highly focused throughout the quarter, evaluating a significant number of new opportunities across the investment universe. This approach led to five new long positions at what we view as particularly attractive valuations and entry points: one healthcare position, two consumer positions, and one technology position. We also increased our short exposure during the quarter, which proved additive.

¹ Past performance does not predict future returns. Where the reference currency of the fund differs than yours, returns and costs may increase or decrease as a result of currency and exchange rate fluctuations. This is not an exhaustive list of the costs. Other costs apply and differ per share class.

² Since inception returns are annualized.

³ The Fund = Aperture Discover Equity Fund (ticker APSIIUA LX). Sub-Fund Inception Date = July 20, 2022.

⁴ Benchmark = the Fund’s Benchmark, Russell 2000 Total Return index (Ticker RU20INTR). One cannot invest directly in an index. The Fund is actively managed and references the Benchmark only for the purpose of performance fee calculation. The Investment Manager has full discretion over the composition of the Fund’s portfolio and therefore its composition may deviate substantially from the Benchmark so as to take advantage of specific investment opportunities.



Contributors and Detractors⁵

Two of our top contributors in the first quarter of 2025 included Duolingo (DUOL) and Aritzia (ATZ CN).

Duolingo is the world's largest foreign language learning application. We have admired the company's creativity and ability to drive strong daily active user (DAU) growth and profitability. The company has been able to achieve this efficient growth by creating low-cost, viral social content that has rapidly expanded the brand's awareness by improving user engagement. We initiated the position last year when we saw the opportunity for Duolingo's premium higher priced Max tier offering to improve engagement and accelerate the revenue trajectory of the company as it gained adoption. While the stock experienced modest pullback post earnings from what we believe are temporary margin headwinds relating to strong Max adoption, Duolingo's growth opportunity, stability and impressive FCF has allowed it to perform well despite the market pullback.

Aritzia is a best-in-class retailer of women's apparel. Although the stock is down 20% year-to-date, it was a relative outperformer during the quarter. Strong 2024 performance extended into January 2025, initially fueled by earnings results that drove shares higher and confirmed our thesis before giving back gains amid renewed concerns over tariffs. However, we believe the company is well positioned to manage the impact of the proposed tariffs. The company generates roughly 50% of its revenue in Canada and has been pivoting its sourcing away from China for quite some time. Given the company's sourcing flexibility and pricing power, we believe it is well-positioned to navigate tariff-related disruptions. We also find the recent pullback in shares presents a compelling risk-reward opportunity.

Our largest detractors over the quarter were Shake Shack (SHAK) and Restoration Hardware (RH).

Shake Shack was a top detractor in the quarter. Despite posting better than expected earnings during the quarter, including comparable sales and EBITDA outperformance, the stock has since underperformed as broader macro fears have impacted investors' perspective on the consumer. We believe that we are in the early innings of an operational turnaround that will drive strong top-line and bottom-line growth. Shake Shack has enormous brand recognition, and we believe that the company's new and improved management team is deploying multiple initiatives to drive margin expansion as well as unit and same store sales growth over time.

RH was also a top detractor in the quarter. In early January 2025, the company's stock price reached highs not seen since January 2022 following a strong 3Q24 earnings report in December 2024 and enthusiasm around the company's product assortment. As worries around the consumer, interest rates and tariffs began to increase, the stock began to meaningfully sell-off. The weakness was compounded by high debt leverage as the company bought back a considerable amount of stock during the period of fundamental underperformance.

Outlook

Fundamental progress and earnings results of our core positions during the quarter largely reinforced our investment thesis. Initial guidance for 2025 did exhibit some natural conservatism for certain positions and across the market in general, which is reasonable in our view as the macro backdrop in the U.S. had grown more complex. While concerns relating to tariffs, ongoing budget and policy headlines raised market level growth concerns in the U.S., the Reciprocal tariff announcement on April 2nd and subsequent announcement on April 9th of a pause to the implementation of non-China tariffs have caused a massive amount of market stress and volatility.

The reciprocal tariffs that were initially announced pose enormous risk to many companies that have set up global supply chains to optimize their businesses. While we will refrain from predicting the outcome of the administrations negotiations with trading partners, we believe the administration is unlikely to insist on a set of policies that will impair the business models of American companies – those which have few existing sourcing alternatives. That said, this uncertainty will likely result in a deterioration in business and consumer activity until risk factors begin to clear.

⁵ Holdings / Allocations subject to change. This document does not constitute an investment advice to buy or sell the presented securities. There is no guarantee that an investment objective will be achieved or that a return on capital will be obtained. The Fund does not benefit from any guarantee to protect the capital.



During times of uncertainty, we prioritize holdings that best fit our investment criteria with ongoing company specific earnings drivers and healthy cash flow generation potential. We have reduced risk in some other positions that are earlier in their respective thesis lifecycles or whose risk profiles have worsened given the uncertain macro backdrop. In addition, we have added six new positions to the portfolio year to date.

We remain enthusiastic about long-term prospects of our current portfolio. As always, please do not hesitate to contact us should you have further questions.

Sincerely,

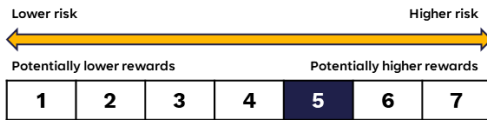
A handwritten signature in blue ink, appearing to read "Brad McGill". The signature is fluid and cursive.

Brad McGill
Portfolio Manager, Aperture Discover Equity



Risk profile of Aperture Discover Equity Fund

Risk and Reward Profile – SRI*



This Fund is not a guaranteed product. Investments bear risks. You may not recover all of your initial investment. Investment may lead to a financial loss as no guarantee on the capital is in place.

The Risk and Reward profile of this Fund, as reflected in the Summary Risk Indicator ("SRI") required for the PRIIPS KID is 5. The SRI 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. The SRI for this product is 5 out of 7, which is a medium-high risk class. Risk 1 does not mean a risk-free investment. This indicator may change over time.

*It should be noted that the calculation of the SRI has been derived from the return history of the Fund in accordance with the prescribed PRIIPS methodology given the Fund has over 3 years of historical daily returns data available. In accordance with the associated guidelines for UCITS, the calculation of the Synthetic Risk and Reward Indicator (SRRI) in the KIID has been derived from a representative portfolio model, target asset mix or benchmark given we do not have 5 years of historical returns data for the Fund on which to apply the prescribed calculations.

Inherent risks of the Fund include:

- Market risk
- Volatility risk
- Equity
- Foreign exchange
- Short exposure risk
- Directional risk
- Derivatives
- OTC financial derivative instruments
- Rule 144A and/or Regulation S securities
- Investment in smaller companies
- Investment in SPACs
- Sustainability risks

SFDR DISCLOSURES: The Fund is categorised as one that promotes environmental or social characteristics pursuant to Article 8 of EU Regulation 2019/2088 on sustainability related disclosures in the financial services sector (SFDR) and does not have a "sustainable investment" objective as defined by SFDR.

BINDING ELEMENTS: 1) *Exclusionary screen:* the Fund incorporates an exclusionary screen that looks to exclude issuers that are in violation of country exclusions based on international sanctions, or which have severely breached at least one of the UN Global Compact principles. In addition, the Fund applies further revenue-based exclusions relating to the following activities: controversial weapons (0% revenue threshold), thermal coal (20% revenue threshold), oil sands (20% revenue threshold), nuclear power generation (30% revenue threshold), tobacco production (0% revenue threshold), and palm oil (10% revenue threshold). 2) *Proxy voting:* The Investment Manager must have in place and apply at all times policies and procedures in respect of proxy voting that, in general terms, prioritise sustainability concerns and seek to advance sustainability goals, such as advocating for stewardship of environment, fair labour practices, non-discrimination, the protection of human rights and advancing principles of good corporate governance. The Fund adheres to the ISS 'sustainability proxy voting guidelines' to determine how to vote proxies. Any deviations require prior approval from the Chief Compliance Officer. Out of the number of items voted over a 12-month period, the Fund will vote a minimum of 67% in accordance with the sustainability guidelines.

METHODOLOGICAL LIMITS: The Fund utilises ESG data and scores from third parties (in addition to internal research) and at times may need to rely on estimations under specific circumstances where data is not readily available. The information and data available in the market is necessarily limited by nature, and there is no guarantee that all relevant data/information will be obtained, or that any data/information obtained will be entirely correct in all respects. Furthermore, the industry approach to ESG and ESG-related information/data is evolving rapidly. As a result, Aperture resorts to various data sources and providers, conducts due diligence exercises on those providers, and performs its own analysis when the lack of data demands it, all in order to maintain the E/S characteristics and address the above limitation.

Before making any investment decision, please read the Key Information Document (KID), the Prospectus, in particular the risks and costs sections, SFDR Appendix and the SFDR website product disclosures to consider all characteristics, objectives, binding elements of the selection process and methodological limits. A summary of the SFDR website product disclosures pursuant to Regulation (EU) 2019/2088 are available by clicking here.



IMPORTANT INFORMATION

Investments involve risks. Past performance does not predict future returns. There can be no assurance that an investment objective will be achieved or that there will be a return on capital. You may not get back the amount initially invested. Before making any investment decision, investors must read the Prospectus, and particularly the Risk Factors, as well as the Key Information Document (KID) or Key Investor Information Document (KIID) as applicable to their jurisdiction.

Costs: (illustrative class: ISIN LU2475550724 – registered in AT, BE, CH, DE, FR, IT, LU, NL, UK): Entry charge: up to 3% max; Exit charge: none; Ongoing charge: 0.54% per year as indicated in the KID accurate as of March 13, 2025. This is an estimate based on actual costs over the last year. Performance fee: For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee ("VMF"), which is calculated and accrued daily, at a rate stated as the 'VMF Midpoint' (as applicable to the share class). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily Modified Net Assets, adjusted upward or downward by a performance adjustment (the "Performance Adjustment") that depends on whether, and to what extent, the performance of the Sub-fund exceeds, or is exceeded by, the performance of the Benchmark plus 6.25% (the "VMF Midpoint Hurdle") over the Performance Period. For a full description of the VMF please see the applicable section in Appendix A contained in the Prospectus.

This marketing communication is related to **Aperture Investors SICAV**, an open-ended investment company with variable capital (SICAV) under Luxembourg law of 17 December 2010, qualifying as an undertaking for collective investment in transferable securities (UCITS) and its Sub-Fund, altogether referred to as "the Fund". This marketing communication is intended **only for professional investors in Austria, Belgium, Germany, Italy, Luxembourg, Netherlands and United Kingdom**, where the Fund is registered for distribution, within the meaning of the Markets in Financial Instruments Directive 2014/65/EU (MiFID) and **is not intended for retail investors**. The Fund has not been registered under the United States Investment Company Act of 1940, as amended, and is **not intended for U.S. Persons** as defined under Regulation S of the United States Securities Act of 1933, as amended.

This document is co-issued by **Generali Asset Management S.p.A Società di gestione del risparmio, Generali Investments Luxembourg S.A. and Aperture Investors UK Ltd.**

Aperture Investors UK Ltd is authorized as Investment Manager in the United Kingdom, regulated by the Financial Conduct Authority (FCA) - 1 Old Queen Street, 1st floor London SW1H 9JA, United Kingdom – UK FCA reference n.: 846073 – LEI: 549300SYTE7FKXY57D44. **Aperture Investors, LLC** is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"), a Commodity Pool Operator registered with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA"). Aperture Investors, LLC wholly owns Aperture Investors UK. In providing investment management services to certain of the Funds, Aperture Investors, LLC draws upon the portfolio management, trading, research, operational and administrative resources of certain of its affiliates (at the present, Aperture UK), including using affiliates to execute transactions for certain Funds. Subject to the written consent of the applicable Fund and the regulatory status of the affiliate, Aperture Investors, LLC treats these affiliates as "participating affiliates," in accordance with applicable SEC no-action letters and guidance. For a more complete understanding of Aperture's ownership and control, please see our ADV available here: <https://adviserinfo.sec.gov/>. Being registered as an investment adviser with the SEC and/or as a Commodity Pool Operator with the CFTC does not imply a certain level of skill or training.

The Management Company of the Fund is Generali Investments Luxembourg S.A., a public limited liability company (société anonyme) under Luxembourg law, authorised as UCITS Management Company and Alternative Investment Fund Manager (AIFM) in Luxembourg, regulated by the Commission de Surveillance du Secteur Financier (CSSF) - CSSF code: S00000988 LEI: 222100FSOH054LBKJL62.

Generali Asset Management S.p.A. Società di gestione del risparmio is an Italian asset management company regulated by Bank of Italy and appointed to act as marketing promoter of the Fund in the EU/EEA countries where the Fund is registered for distribution (Via Niccolò Machiavelli 4, Trieste, 34132, Italia - Banca d'Italia identification code: 15099 - LEI: 549300LKCLUOHU2BK025).

Before making any investment decision, please read the **PRIIPs Key Information Document (PRIIPs KID)** or **UCITS Key Investor Information Document (KIID)** (as applicable to your jurisdiction) and the **Prospectus**. The PRIIPs KIDs are available in one of the official languages of the EU/EEA country, where the Fund is registered for distribution, and the Prospectus is available in English (not in French), as well as the annual and semi-annual reports at www.generali-investments.lu or upon request free of charge to Generali Investments Luxembourg SA, 4 Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, e-mail address: GILfundInfo@generali-invest.com. The Management Company may decide to terminate the agreements made for the marketing of the Fund, in accordance with Article 93a of Directive 2009/65/EC. For a summary of **your investor rights** in respect of an individual complaint or collective action for a dispute relating to a financial product at the European level and at the level of your EU country of residence, please consult the information document contained in the "About Us" section at the following link: www.generali-investments.com and www.generali-investments.lu. The summary is available in English or in a language authorized in your country of residence.

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This marketing communication is not intended to provide an investment, tax, accounting, professional or legal advice and does not constitute an offer to buy or sell the Fund or any other securities that may be presented. Any opinions or forecasts provided are as of the date specified, may change without notice, may not occur and do not constitute a recommendation or offer of any investment. Presented information is based on sources and information Aperture considers trustworthy, but such information might be partially incorrect or incomplete. **Past or target performance do not predict future returns. There is no guarantee that positive forecasts will be achieved in the future.** The value of an investment and any income from it may go down as well as up and you may



not get back the full amount originally invested. The future performance is subject to taxation, which depends on the personal situation of each investor and which may change in the future. Please liaise with your Tax adviser in your country to understand how your returns will be impacted by taxes. The existence of a registration or approval does not imply that a regulator has determined that these products are suitable for investors. It is recommended that you carefully consider the terms of investment and obtain professional, legal, financial and tax advice where necessary before making a decision to invest in a Fund.

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For its services to the Sub-fund, the Investment Manager is entitled to a variable management fee ("VMF"), which is calculated and accrued daily, at a rate stated as the 'VMF Midpoint' (as applicable to the share class). The VMF Minimum portion of the VMF will be calculated and accrued daily based on the Sub-fund's NAV. The rest of the VMF amount, if any, will be calculated and accrued daily based on the Sub-fund's daily Modified Net Assets, adjusted upward or downward by a performance adjustment (the "Performance Adjustment") that depends on whether, and to what extent, the performance of the Sub-fund exceeds, or is exceeded by, the performance of the Benchmark plus 6.25% (the "VMF Midpoint Hurdle") over the Performance Period. For a full description of the VMF please see the applicable section in Appendix A contained in the Prospectus. Net performance assumes reinvestment of dividends and capital gains. For the avoidance of doubt, the Investment Manager may receive a performance fee even in the case of negative performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance shown. A fund's performance for very short time periods may not be indicative of future performance. Indices are unmanaged and do not include the effect of fees or expenses. One cannot invest directly in an index. The performance returns represent past performance. **Past performance does not guarantee future results.**

Investors should note the specific risk warnings:

Market risk - Market risk is understood as the risk of loss for a Sub-fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-fund will be diversified with a view to reducing market risk, the investments of a Sub-fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

Volatility risk - The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

Equity - The value of a Sub-fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-funds, which will fluctuate as the value of the underlying equity securities fluctuates.

Foreign exchange - Each Sub-fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times. In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

Short exposure risk - A Sub-fund may proceed with short-term sales of their investment via the use of derivatives. The short exposure risk results from short sales achieved through the use of derivatives, and includes the potential for losses exceeding the cost of the investment, as well as the risk that the third party to the short sale will not fulfil its contractual obligations.

Directional - Each of the Sub-funds may use derivative transactions for both hedging and/or Efficient Portfolio Management and for pure investment purposes. It should be noted that while financial derivative instruments used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When financial derivative instruments are used purely for investment purposes, the Sub-fund will be directly exposed to the risks of the financial derivative instrument and any gains or losses on the financial derivative instrument will not be offset by corresponding losses or gains in other assets within the Sub-fund. Certain Sub-funds following an active extension approach may not follow a market neutral strategy and may be exposed to directional risk. A directional strategy is an investment strategy that entails taking a net long or short position in a certain market, benefiting from a rise in the market in a net long position and from a decline in a net short position. The directional risk is the risk of the relevant market moving in one direction (up or down) and causing a corresponding movement in the value of the Sub-fund.

Derivatives - Each of the Sub-funds may use derivative instruments, such as options, futures and swap contracts and enter into forward foreign exchange transactions. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which a Sub-fund would not be subject if it did not use these strategies. If the Investment Managers' predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-fund may leave the Sub-fund in a less favourable position than if such strategies were not used. Risks inherent in the use of options,



foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Managers' ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-fund to sell a portfolio security at a disadvantageous time. Where a Sub-fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-fund.

OTC financial derivative instruments - In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house. The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker. EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or "EMIR") requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories.

In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives. Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-funds to adhere to their respective investment policies and achieve their investment objective. Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure. Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the ISDA.

Rule 144A and/or Regulation S securities - SEC Rule 144A provides a safe harbour exemption from the registration requirements of the US Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. Regulation S provides an exclusion from registration requirements of the US Securities Act of 1933 for offerings made outside the United States by both US and foreign issuers. A securities offering, whether private or public, made by an issuer outside of the United States in reliance on Regulation S need not be registered. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions is limited and might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular security.

Investment in smaller companies - Investment in smaller companies may involve greater risks and thus may be considered speculative. Investment in a Sub-fund investing in smaller companies should be considered long-term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies.

Investment in SPACs - Certain Sub-funds may invest in special purpose acquisition companies (SPACs). A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring an existing company. Prior to the acquisition of a target, the SPAC is effectively a cash holding vehicle for a period of time pre-acquisition, meaning it does not have any operating history or ongoing business other than seeking to acquire an ongoing business and will be subject to equity risk, as well as risks that are specific to SPACs. The risk profile of the SPAC will change if a target is acquired as the opportunity to redeem out of the SPAC at the price it was purchased for lapses upon such acquisition. Generally, post-acquisition there is a higher volatility in price as the SPAC trades as a listed equity. The potential target of the SPAC acquisition may not be appropriate for the relevant Sub-fund or may be voted down by the SPAC shareholders, which foregoes the investment opportunity presented post-acquisition. Similar to smaller companies, companies after the SPAC acquisition may be less liquid, more volatile and tend to carry greater financial risk than stocks of larger companies.



Sustainability Risks - It is expected that this Sub-fund will be exposed to a broad range of Sustainability Risks. However, it is not currently anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-fund.

For further information on risks and costs, please read the Prospectus and KID/KIIDs, available free of charge in English (KID also available in Italian) from Generali Investments Luxembourg S.A., 4 Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg or at the following e-mail address: GILfundInfo@generali-invest.com.

Middle East Disclosures

Kuwait This fact sheet is not for general circulation to the public in Kuwait. The Fund has not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Fund in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 (the Kuwait Capital Markets Law) (as amended) and the bylaws thereto (as amended). No private or public offering of the Fund is being made in Kuwait, and no agreement relating to the sale of the Fund will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Fund in Kuwait.

Qatar The materials contained herein are not intended to constitute an offer, sale or delivery of shares of the Fund or other financial products under the laws of Qatar. The Fund has not been and will not be authorised by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank in accordance with their regulations or any other regulations in Qatar. The shares of the Fund are not and will not be traded on the Qatar Stock Exchange.

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UAE In accordance with the provisions of the United Arab Emirates (UAE) Securities and Commodities Authority's (SCA) Board Decision No. (9/R.M) of 2016 Concerning the Regulations as to Mutual Funds, the units in the Fund to which this document relates may only be promoted in the UAE as follows: (1) without the prior approval of SCA, only in so far as the promotion is directed to financial portfolios owned by federal or local governmental agencies; (2) investors following a reverse enquiry; or (3) with the prior approval of the SCA. The approval of the SCA to the promotion of the Fund units in the UAE does not represent a recommendation to purchase or invest in the Fund. The SCA has not verified this document or other documents in connection with this Fund and the SCA may not be held liable for any default by any party involved in the operation, management or promotion of the Fund in the performance of their responsibilities and duties, or the accuracy or completeness of the information in this document. The Fund units to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective investors should conduct their own due diligence on the Fund. If you do not understand the contents of this document you should consult an authorised financial advisor.