June 30th 2022
Marketing promotion

Destination Value Total Return Fund^
Q2 Commentary

The fund posted a negative performance (-5.45%) over the second quarter of the year and returned 14.92% since inception (Eur hedged share class)*.

During Q2, both equity and bond markets lost ground, reflecting growing concerns about persistent inflation and renewed tightening from central banks. Those concerns all but dissipated in late June, when markets turned on their heels, with a sharp drop in long-term yields, an underperformance of value versus growth, and a slap down of cyclicals and commodities. Recessionary scenarios are now dotting the horizon, forecast as early as this year, and our portfolio suffered setbacks in June, given our positions in short duration, long commodities and energy stocks.

We are not convinced by this new recessionary narrative. We have reviewed our investment cases and we continue to see value there. An underlying stagflationary environment remains our base case, as we argue in the following "Outlook" section.

Market View of the Quarter

The second quarter of 2022 was negative for most asset classes: global equity markets experienced the worst quarter since the Covid outbreak and, at the same time, rates were raised dramatically across nearly all developed economies, causing steep losses in fixed-income markets.

Inflation continued to surprise markets on the upside with the latest CPI coming in at 8.6% (year on year) both in the Eurozone and the US, triggering the Fed to hike overnight rates by 75 basis points in June. The market is now pricing in a terminal rate by year end above 3.5%. Meanwhile the ECB announced the close of its own asset purchase programme (APP) and a tightening cycle set to kick off in July.

On the **equity** side, growth and discretionary sectors have been the worst performing, with the MSCI ACWI Information Technology basket down 21.68% and the MSCI ACWI Consumer Discretionary down 20.2% (in USD). The S&P 500 closed the quarter off by 16.2%. The MSCI Europe slightly outperformed, posting down 14.5%, while Japan and EM lost 15.8% and 11.45% respectively. At a regional level, **China** was the top performing market, thanks to the

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^ Complete name of the Fund : Plenisfer Investments SICAV – Destination Value Total Return Fund
* Cumulative performance since the Fund's launch. For the annualized performance since launch the related volatility please refer to the performance table at the end of the document, as well as for any additional information. Data source: Plenisfer Investments SGR. ** Source of all the data: Bloomberg.

relaxation of Covid restrictions and expectations of a more accommodative policy by the People's Bank of China.

On the **fixed income** front, spreads widened across the credit-quality spectrum, bringing valuations close to those of the previous tightening cycle (2018). The high-yield market closed the quarter down approximately 10%, while the BofA Global Corporate IG was down 8.5%. Due to the massive increase in rates, government bonds both in Europe and in US dropped sharply, with inflation linkers outperforming nominal bonds.

Commodities were the best performing asset class in Q2, notwithstanding their giving back some of the gains in the last two weeks of the quarter. The Bloomberg WTI Crude Oil Index was up 9% while natural gas, gold and platinum lost 6.4%, 6.5% and 7.8% respectively. In terms of currencies, the US dollar appreciated approximately 5% vs EUR (from 1.11 to 1.05), while the dollar index was up 6% for the quarter.

Portfolio Update and Changes

Plenisfer Destination Value Total Return Fund: since inception, the EUR hedged share class delivered a cumulative net return of **+14.92%** and an annualized performance of +6.66%, with a return over the quarter of **-5.45%.** The USD share class (launched one month later, in June 2020) delivered a cumulative net return of **+10.83%** and an annualized performance of 5.09%, with a return of -6.70% over the quarter. The SX EUR Retail share class (launched in June 2021) delivered an annualized net return since launch of **+6.02%**, with a return YTD of **+0.10%.** *(Please, refer to page 7 for the complete set of performance information).* For the EUR hedged share class, annualized volatility since inception is **6.95%**, resulting in a Sharpe ratio of 1.03 and a Sortino Ratio of 0.97.

Portfolio quarterly contribution to performance by Strategy (Gross):

Strategy	Sum of PL QTD
Alternative Risk Premia	-1.68%
Compounders	-4.47%
Hedge	4.39%
Income	-1.21%
Macro	-2.27%
Special Situations	-0.65%

Data as at 30/06/2022. Source: Plenisfer Investments.

During the second quarter of the year, the portfolio initially benefitted from its exposure to real assets and short duration. However, as we said, the June correction had a significant

impact. The reversal in commodities and sovereign yields was mainly due to growing fears of a global recession as early 2023, and the related anticipation of an early stop in monetary tightening.

The main contributor to the Fund's quarterly performance has been our **Hedge Strategy**, which consists of short positions on Futures, as well as a put option spread structure on the US and European equity markets. The strategy generated a **+4.39%** of performance over the quarter.

Our **Macro Strategy** detracted a **-2.27%** of performance over the quarter, due to the exposure to energy stocks and industrial commodities in the last part of June. Commodities reversed in the last month, even if they were among the few asset classes bucking the trend in the second quarter. The short on US Treasury Futures and Bund Futures, particularly the 2-years ones, contributed positively especially to the last month of June. However, in the second half of the month it suffers a significant fall from their highs due to the reversal of the uptrend in interest rates. Apart from the month of June, and from a broader perspective, the two components of this strategy (Energy stocks and Negative Duration) remain the main source of positive performance since the beginning of the year. **Gold** stocks, which was the best performer of our **Alternative Risk Premia** strategy in the previous months, had a negative total contribution of **-1.68%** for the overall quarter, mainly due to the June performance related to the rising real rates.

Our **Compounders** strategy overall detracted **-4.47%** of performance from the Fund, mainly due to equity exposures. The sub-strategy of *Best in class* lost ground for -2.49% with names as *NVIDIA CORP* and *CNH INDUSTRIAL NV,* on the same way of the sub-strategy *Cloudification* with AMAZON.COM INC and SAMSUNG ELECTRONICS CO LTD. However, in the last month of June this strategy partially offset losses by exposure to Chinese equities, which were gradually recovering thanks to the reopening of manufacturing and trading activities in some of China's major metropolises, after the severe lock-down and in the wake of the central government's reactive measures.

Our **Income** strategy returned **-1.21%** in the quarter. This was mainly due to our overall credit exposure which is made mostly of High yield debt and subordinated bank exposure, the latter lost -0.62% on the overall strategy. Rising yields and widening spreads have been the two headwinds for the bond portfolio. This must be seen in conjunction with our longstanding position on ITRX indices. Our subordinated debt exposure is made mostly of T2 and legacy T1 debt (we keep our Aegon legacy after issuer has completed its tender)

where we see a regulatory cut limiting downside vs pure At1 position (around 3% of NAV). We do not hold any Corporate Hybrid position. While absolute level of yields has been rising to peak stress levels seen in March 2020, we monitor this market carefully looking to add opportunistically in issuer we believe will be able to navigate a deteriorating macro scenario. The European Telecom exposures detracted -0.23% of performance, primarily due to VODAFONE GROUP PLC with a -0.20%.

Our **Special Situation** strategy contributed for **-0.65%** to the overall P&L of the Fund. The **Stressed & Distressed** part of the portfolio contains 21 names, making up about 7.6% of AUM at the end of the quarter. The portfolio trades at a current yield of 11.2% and a yield to maturity of 28.6%. Most positions have taken a hit during the sell off of the second quarter, but none has defaulted. We have been starting to sell down our Argentina positions slowly in view of the electoral season of 2023. At the end of the quarter, the contribution to the overall Stressed & Distressed strategy performance was -0.32%.

Quarterly Outlook

Looking ahead to the **second half of the year**, we think that the cycle of monetary tightening and economic slowdown will be the key issues in financial markets. The **stagflation** scenario, in fact, came into focus by mid-June. Since then, the emerging outlook of many analysts focused on recessionary pressures, prompting a meaningful rally for interest rates and a correction in cyclicals, energy and materials-related stocks. However, **at Plenisfer we believe that stagflation remains the most likely future scenario.**

The post-Covid recovery has started to stretch some key labour markets that were already tight. While it's premature to come to definitive conclusions, we believe that it will be challenging for central banks to rein in inflation from current levels, notwithstanding their best efforts at keeping expectations anchored. Tight labour markets, combined with strong household and corporates balance sheets, leave us convinced that the Fed will prioritise fighting inflation to defending financial markets.

Regarding the Eurozone, inflation concerns are mostly plugged in to rising energy prices, therefore at Plenisfer we expect **fixed income** to remain under pressure. All of these factors could further the drag on European equity markets. A global economic slowdown in a strong dollar regime is doing nothing to bolster emerging-market **currencies**, that already underperformed significantly month to date, and will remain under pressure. We think that any allocation into local currency bonds is still premature.

From an **equity** point of view, we think it is worth bearing in mind that consumer spending and manufacturing output have been declining over the course of 2022, while employment numbers remain robust, and private-sector balance sheets are in good shape, both in the US and Europe. The strong post-Covid recovery coming into the first quarter of the year left many companies with solid earnings and favourable refinancing profiles after two years of cheap liquidity. Year to date, the equity-market correction prompted an adjustment in valuations, and while there is still some froth in the markets, we are rapidly converging on long-term averages. We believe the incoming reporting season will be crucial to understanding the full extent of damage caused to the bottom line of corporations by the increasing of costs and determining their ability to pass on input cost hikes to their customers. If this proves to be the case, inflation will show itself to be even more stubborn than we forecasted.

We expect **commodity** prices to continue finding support in the medium to long term, due to reduced production capacity after years of underinvestment, coupled with an increasing demand for those industrial metals deployed in the green transition. The need to secure new sources of energy to cover the Russian supply will also sustain production in the medium term, although a possible resolution to the war could impact demand in the short term.

In our view, the **main risks** we face in the second half of the year will be, besides inflation, geopolitical uncertainty and energy insecurity. On the one hand, the repercussions of the conflict between Russia and Ukraine could further undermine global trade and economic growth. On the other hand, the financial markets have already seen significant corrections, so it will be possible to take advantage of some opportunities in terms of valuations that may emerge in the coming months.

Performance information of the Fund

Past performance	IYH EURHDG Dis. share class	IX USD Share Class	IXH EURHDG Share Class	SX EUR Share Class	SXH EURHDG Share Class
Inception date	04/05/2020	04/06/2020	10/03/2021	05/06/2021	05/06/2021
Cumulative Performance QTD (net)	-5.45%	-6.70%	-5.47%	-0.96%	-5.70%
Cumulative performance YTD (net) as of 30 June 2022	-5.87%	-7.37%	-5.91%	0.10%	-6.42%
Annual performance (net) Calendar year: Jan-Dec 2021	8.72%	8.21%	-	-	-
Annual performance 12 months (net) 30 Jun 2021 – 30 Jun 2022	-5.85%	-7.83%	-5.94%	3.13%	-6.95%
Annualized performance since inception (net)	6.66%	5.09%	-0.45%	6.02%	-4.99%
Cumulative performance since inception (net)	14.92%	10.83%	-0.58%	6.45%	-5.33%

Volatility and other parameters	IYH EURHDG Dis. share class	IX USD Share Class	IXH EURHDG Share Class	SX EUR Share Class	SXH EURHDG Share Class
Inception date	04/05/2020	04/06/2020	10/03/2021	05/06/2021	05/06/2021
Annual volatility Calendar year: Jan-Dec 2021	5.88%	6.20%	-	-	-
Annual volatility 12 months 30 Jun 2021 – 30 Jun 2022	7.95%	8.55%	8.03%	9.17%	8.22%
Annual volatility Since inception	6.95%	7.58%	7.48%	8.90%	7.90%
Sharpe Calculated on daily returns since inception	1.03	0.65	0.02	0.69	-0.51
Sortino Calculated on daily returns since inception	0.97	0.62	0.02	0.69	-0.51
DrawDown (current)	-8.64%	-10.29%	-8.69%	-3.81%	-9.13%

Source: Plenisfer Investments. NAV Date: 30/06/2022. **Past performance is not a reliable indicator of future results and can be misleading. All performances are presented net of fees, except sny entry and exit fees (dividends reinvested for the Acc class) and do not take into account the taxation regime applicable to investors.** There can be no guarantee that an investment objective will be met or that a return on capital will be achieved. You may not get back the amount you originally invested. The currency fluctuations may have a negative impact on the net asset value, the performances and costs. Returns may increase or decrease as a result of currency fluctuations.

Sub-Fund Facts

Investment objective and policy: The objective of this Fund is to achieve a superior risk adjusted total return over the market cycle. Realising longterm capital appreciation and underlying income through a long term focus on valuation and the market cycles is paramount to achieving the Fund's objectives.
Legal structure: UCITS - SICAV
Investment Manager: Plenisfer Investments SGR S.p.A
Management company: Generali Investments Luxembourg S.A.,
Launch date: 04/05/2020
Benchmark for Performance Fees calculation only: SOFR Index (for calculation of performance fees)
Subscription/redemption process: Valuation day, 1pm Luxembourg time/ Redemption: Valuation day 1pm Luxembourg time + T5
Minimum Subscription: 500.000€ I shareclass; 1.500€ R shareclass
Currency: USD

The Fund is denominated in a currency other than the investor's base currency, changes in the exchange rate may have an adverse effect on the net asset value and performance.

Risk Profile and Inherent Risks

Risk factors Investors should note the specific risk warnings contained in section 6 of this Prospectus and more particularly those regarding: **• Interest rate risk. • Credit risk. • Equity risk. • Emerging markets (including China) risk. There is no predetermined limitation to emerging markets exposure. Emerging market risk could at times therefore be high. • Frontier markets risk. • Foreign exchange risk. • Volatility risk. • Liquidity risk. • Derivatives risk. • Short exposure risk. • Distressed Debt Securities risk. • Securitized debt risk. • Contingent capital securities ("CoCos") risk.**

Destination Value Total Return

RISK AND REWARD PROFILE (Class IYH EUR Dis)

This indicator represents the annual historical volatility of the Fund over a 5-year period. Its aim is to help investors understand the uncertainties attached to gains and losses that may have an impact on their investment. Significant risk(s) for the Fund not taken into account in this indicator include the following:
Counterparty Risk: The Fund primarily concludes derivatives trades with various contracting parties. There is a risk that counterparties may no longer be able to honour their payment or settlement obligations.

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Credit Risk: The Fund invests a substantial portion of its assets in bonds. The issuers may become insolvent, whereby the bonds may lose a major part of their value or their value entirely.
Derivative Risk: The Fund uses derivative instruments to achieve higher performance through speculation on rising or falling prices. Increased opportunities may lead to increased risk of losses.
Liquidity Risk: Risk related to a limited market activity that could not allow the Fund to sell or buy underlying investments in suitable conditions.
Geopolitical Risk: Risk related to the investments in geographic areas or sectors that may be sensitive to any event of economic, geopolitical or regulatory nature or any other events beyond the control of the Management Company that could expose the Fund to losses.
Operational Risk and Depositary Risk: The Fund may fall victim to fraud or other criminal acts. It may also incur losses due to misunderstandings or errors by employees of the management company, the depositary or external third parties. Finally, its' management or the custody of its' assets can be adversely affected by external events such as fires, natural disasters etc.
The net asset value of the shares is subject to a high volatility, which may result in major latent short-term losses. The use of leverage may increase the risk of potential losses or increase return potential.
Compartment subject to High volatility. The Fund is not a guaranteed product, risk of losing some or all of your initial investment.
For more information about the risk factors please refer to section 6 and the compartment Risk Factors section of the Prospectus.
Before taking any investment decision, please read the latest version of the prospectus, the Key Investor Information Documents (KIIDs).

Share classes list and fees

ISIN	Share Class	Currency	Inception Date	BBG	Management Fee	Performance Fee*	Countriesof registration	Entry Fee	Exit Fee	Ongoing charges#
LU2087694050	I X Cap	USD	04/06/2020	DETVRIA LX	0.75%	15% with Abs HWM	Italy, Spain, France, Germany, Austria, Lux	0%	0%	0.87%
LU2087694647	IYH EUR Dis	EUR (Hedged)	04/05/2020	DETVRYH LX	0.75%	15% with Abs HWM	Italy, Spain, France, Germany, Austria, Lux	0%	0%	0.90%
LU2087694480	I XH EUR Cap	EUR (Hedged)	10/03/2021	DETVRIX LX	0.75%	15% with Abs HWM	Italy, Spain, France, Germany, Austria, Lux	0%	0%	0.90%
LU2087693672	I X EUR CAP	EUR	11/04/2022	DETVRIE LX	0.75%	15% with Abs HWM	Lux, Italy	0%	0%	0.90%
LU2185978587	RX EUR Cap	EUR	10/06/2021	THTVRRC LX	1.25%	15% with Abs HWM	Italy,, Lux	5%	0%	1.43%
LU2185979049	RXH EUR Cap	EUR (Hedged)	-	-	1.25%	15% with Abs HWM	Italy, Lux	5%	0%	1.46%
LU2185979551	SX EUR Cap	EUR	06/05/2021	THTVRSE LX	1.75%	15% with Abs HWM	Italy, Lux	4%	0%	1.93%
LU2185980054	SXH EUR Cap	EUR (Hedged)	06/05/2021	THTVRSC LX	1.75%	15% with Abs HWM	Italy, France, Lux	4%	0%	1.96%

*The performance fee is applicable on total return over SOFR and following payment of the management fee of the portfolio in any calendar year. The performance fee mechanism is subject to a Higher Water Mark: the performance fee is applied only if the NAV price in a particular calendar year is higher than the previous max NAV price in a calendar year in which a performance fee was paid.

Tax treatments depends on the individual circumstances of each client and may be subject to change in the future. Please consult your tax advisor for more details.

As per latest KIID – April 2022.

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For a summary of investor rights and guidelines relating to individual or collective action for disputes over a financial product at the EU level and in the respective country of residence of the investor, please refer to the following links: www.generali-investments.com and www.generali-investments.lu. The summary is available in English or an authorized language in the investor's country of residence. This communication does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Fund is suitable to your personal situation and understand the related risks and tax impacts. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.
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Spain: CNMV n. 2018 Registro Oficial 2018, Banco Inversis S.A.

Germany: Generali Investments Partners S.p.A., Società di Gestione del Risparmio, Postfach 10 06 54, 50446 Köln. The net asset value of the Shares is published daily on https://www.generali-investments.lu/lu/en/institutional/fund-page/plenisfer-investments-sicav-destination-value-total-return-iyh-distr-LU2087694647/

Austria: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Wien

Portugal: Best – Banco Electrónico de Serviço Total, S.A.- Praça Marquês de Pombal, 3A, 3, 1250-096 Lisbon, Portugal.

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