



GENERALI
INVESTMENTS

Responsible Investing



Making sense of investing

Working with you since 1831

Making sense of investing

Socially Responsible Investing (SRI) allows investors to take a more proactive role in the economy and in the way they invest in companies, without leaving aside financial performance.

Sustainable investing is gaining momentum and attracting interest due to a change in public perception and a cultural shift - especially with new generations - with regards to the direct or indirect impact of their investments.

Incorporating non-financial Environment, Social and Governance (ESG) aspects when analysing and selecting companies makes more sense, as it helps to improve our environment and society as a whole.

“As one of Europe’s largest institutional investors, part of a world leading insurance and asset management group, Generali Investments is conscious of its role in protecting and enhancing its clients’ wealth while contributing to the improvement of environmental, social and governance issues.

Long-term responsible investing makes perfect sense to us and forms the basis of our success as investment professionals.”

Francesco Sola
Head of Investment Governance & Stewardship
Generali Investments

Our SRI convictions & beliefs at Group level

As one of the biggest insurers in the world, Generali Group has strong SRI convictions:

- Social function of the insurance business
- Risk prevention and management is a core activity of insurers
- Generating value while preserving capital is key

Our beliefs are:

1.

Responsible investing provides added value when selecting companies and delivers more sustainable performances over the long term.

2.

Engaging and discussing with the management of companies is the best way to improve their behaviours and practice in terms of ESG.

3.

ESG criteria reinforce our risk management approach, with non-financial risks being carefully analysed to be identified and avoided.

4.

Voting at companies' annual general meetings naturally complements this approach, reinforcing the dialogue with companies' management teams.



Generali Group's commitment to sustainable investing & climate change

- As a signatory of the UN Global Compact and of the Principles for Responsible Investment (PRI) supported by the UN, Generali Group discloses its activities in its annual Transparency Report – available online on the PRI website – and is committed to the fulfillment of its principles.
- Generali Investments participates to the European Forum for Sustainable Finance (EURO-SIF), the French Forum for Sustainable Finance (FIR), the Italian Forum for Sustainable Finance (FFS) and the Spainsif: these working groups bring together the most important European players in the area of socially responsible investment.
- Generali Group joined the Principles for Sustainable Insurance (PSI), an initiative promoted by the Environment Programme's Finance Initiative (UNEP FI) of the United Nations in 2014.
- The Generali Group became a signatory of the Climate Risk Statement of The Geneva Association in Kyoto in 2009 and in Toronto in 2014, assuming a series of shared commitments on the measures to be adopted to address and mitigate climate change.
- Following the COP21, at the end of 2015, Generali has joined the Paris Pledge for Action, an initiative that represents a unique opportunity for non-state actors to welcome the Paris Agreement on climate change and commit to implement it.
- In 2018, Generali Group also became a signatory of the TCFD Supporters (Task Force on Climate-related Financial Disclosure), promoted by the Financial Stability Board. The FSB Task Force will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.
- In 2018, Generali joined the Investor Leadership Network, a group of leading global institutional investors promoted within the G7 Investor Global Initiatives, with the aim of speeding up the implementation of uniform and comparable climate-related disclosures under the FSB-TCFD framework.
- The Group also supports the project "Investing in a Just Transition", promoted by The Grantham Research Institute/London School of Economics and the Harvard University in partnership with PRI (Principles for Responsible Investments). The aim of this initiative is to support a 'just' transition towards a low-carbon economy, integrating the social dimension into the climate strategy.
- As member of the European Financial Services Round Table (EFR), Generali endorses a statement in support of a strong and ambitious response to Climate Change, which was sent to European Governments, the European Commission and other public officials ahead of the 21st Conference of the Parties (COP21).
- Generali Group, a signatory of the Carbon Disclosure Project (CDP), decided to take part in the Italian National Dialogue on Sustainable Development, sponsored by UNEP and the Italian Ministry of Environment. This followed the COP21 in Paris (December 2015) which outlined the need for the active involvement of the private sector in order to respect global climate change commitments.
- Generali Group is included in the Dow Jones World Sustainability Index (DJSI), the most prestigious international stock exchange index for Corporate Social Responsibility, as well as in several other sustainability indices, such as the FTSE4Good, STOXX ESG Leaders, MSCI ESG Leaders Index, Vigeo Euronext World 120 and ECPI Global Ethical Equity Index.
- Generali Group adheres to the International Corporate Governance Networks (ICGN) whose mission is to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide.

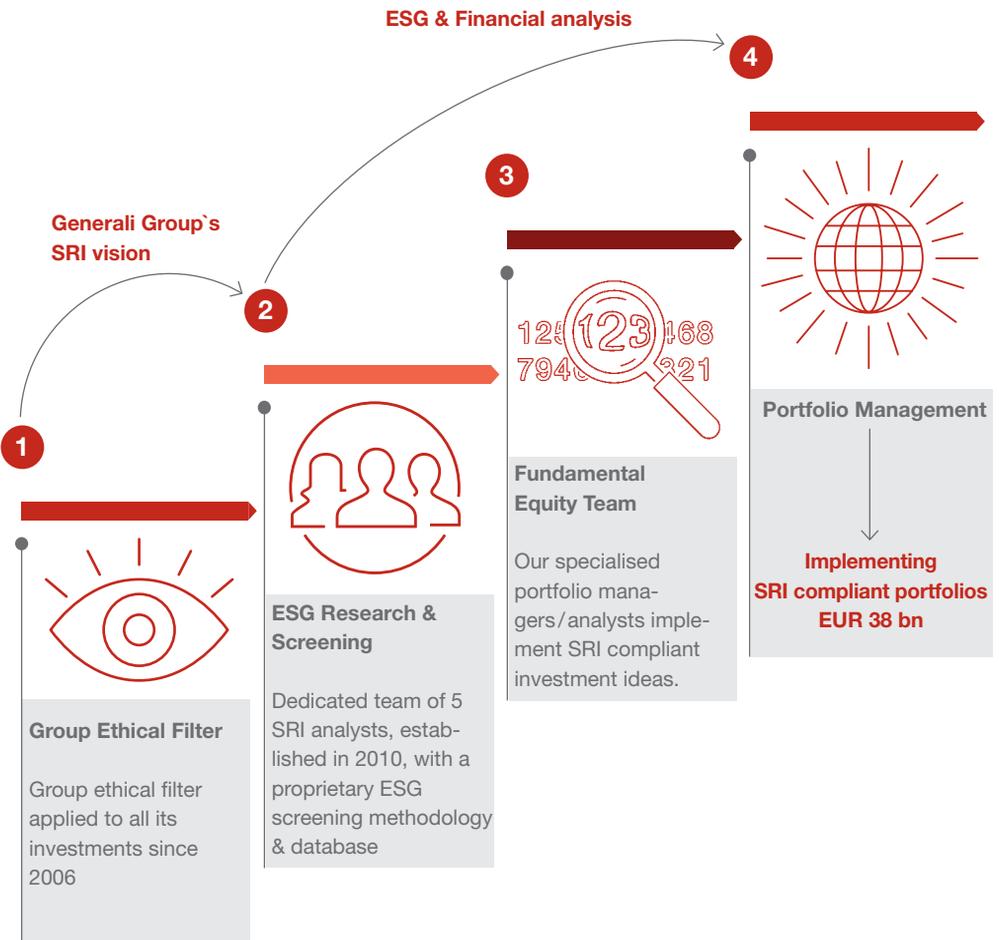


Our in-house SRI research capability

Since 2010, Generali Investments has a dedicated team of SRI analysts focusing on analysing companies, identifying ESG risks, issues & opportunities and rating more than 500 European companies (MSCI Europe Index' universe) based on ESG criteria.

Specialised by sector, they apply the team's proprietary ESG methodology and complement their own analysis with research from specialised external providers: Sustainalytics, Ethifinance, Vigeo/EIRIS and MSCI ESG Research.

A disciplined approach to ESG investing



Our “Best effort” approach & process

To invest in SRI compliant companies, we focus on:

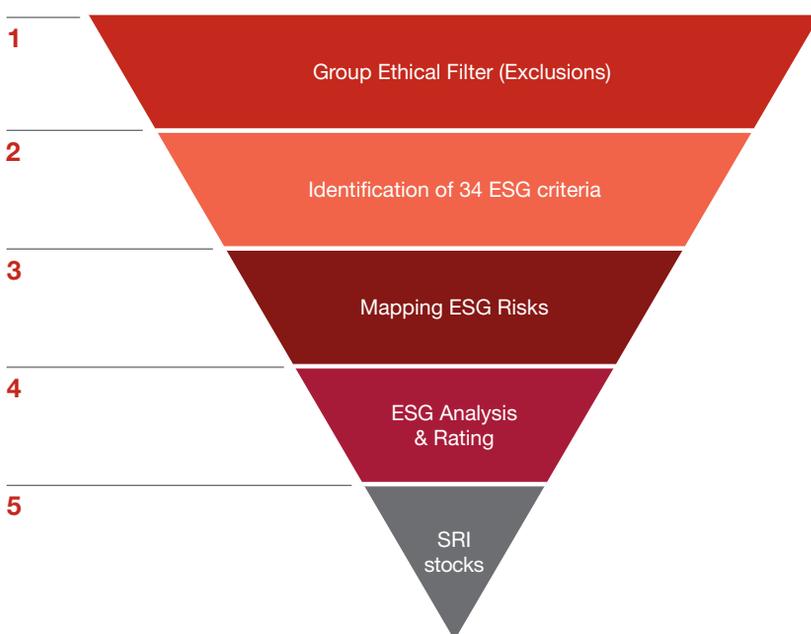
- Exclusion: we apply the Generali Group ethical filters to the investment universe
- “Best effort” approach: we positively select companies showing improvements in their ESG behaviours and compliance with best practices
- Engagement: we have ongoing exchanges with the management of companies, to discuss, challenge and influence them on key ESG themes:
 - Environment: carbon footprint, energy consumption,...
 - Social: human resources, health & safety,...
 - Governance: protection of shareholders’ interest, independence of supervisory bodies for instance

Our proprietary process

We consider that companies making the “best efforts” to comply with ESG criteria should, over time, perform better because:

- They have measures in place that should prevent them from costly litigations related to Environmental, Social and Governance issues
- They are better positioned to benefit from long term demographic, regulatory and environmental trends

The key steps of the process



Step 1

Exclusions via Group Ethical Filters

We consider companies to be high ESG investment risks when issuers are:

- Involved in the production of weapons violating fundamental humanitarian principles (antipersonnel landmines, cluster bombs and nuclear weapons)
- Involved in severe environmental damage
- Involved in serious or systematic violation of human rights
- Implicated in cases of gross corruption

The aim is to identify ESG risks arising from investments in companies involved in these activities, through ongoing monitoring of the investment universe.

Through dialogue, we aim to discourage actions identified as “high risk” and if the responses are inadequate, we exclude these companies from the investment portfolio.

Step 2

Identifying the relevant issues within sectors

- Out of 34 generic criteria we use across sectors, we retain on average 7 relevant issues per sector, based on key risks and their probability of occurring
- This step is important as we do not want important issues to be offset by less material issues for a particular industry (example: carbon footprint is more relevant in the industrial sector when compared to the financial industry)

Step 3 & 4

Rating companies & engagement

- The companies within a sector and with a final score above the sector average join our SRI approved list. We typically only consider 50% of the universe as being SRI compliant
- Through a positive screening we identify the “best effort” companies for each sector in terms of ESG behaviours: we prefer companies that show improvements over the long term and we rate them based on risks, opportunities and key ESG criteria
- Once the sector analysis has been completed, we try to foster dialogue with companies by sharing the results of our analysis with them, including their ranking in the sector. If they are interested, we discuss how they could improve their reporting and their practices.

Corporate governance & proxy voting

The exercise of voting rights at Annual General Meetings is a key activity conducted by Generali Investments on behalf of Generali Group and external clients, through a dedicated team.

Generali Investments believes that decisions taken at General Meetings are of utmost importance for the achievement of clients' long term strategies and for the protection of their rights as shareholders.

Corporate governance analysis and proxy voting activities are particularly focused on:

- Shareholders' rights (equal treatment, anti-takeover mechanisms,...)
- Corporate boards (Directors' independence, segregation of duties, diversity...)
- Internal controls systems
- Remuneration policy
- Audit, Disclosure and Transparency
- Income allocation & equity transactions (dividend payout, equity issuance...)
- Corporate Social Responsibility

Key activities performed by the Governance Proxy Voting team:

- Providing voting recommendations & advice
- Casting votes
- Engaging with companies
- Reporting on the voting seasons / outcome
- Drafting customised voting policies for clients

During 2018, Generali Investments:

- Attended 1.132 meetings in more than 32 countries
- Voted on more than 15.000 resolutions with more than 51.000 votes cast

Generali Investments also contributed to the drafting of the Italian Stewardship Principles.

SRI products & investment solutions



**Generali Investments
SICAV
SRI Ageing Population**



**Generali Investments
SICAV
SRI European Equity**

Generali Investments SICAV SRI Ageing Population

Transform a major trend into an investment opportunity

GIS SRI Ageing Population fund is designed for investors wanting to benefit from the long term demographic shift of the ageing of the population and increased longevity, through ESG compliant European stocks.

The thematic screening identifies the level of companies' exposure to our 3 key investment pillars.



Healthcare



Pension & Savings



Consumers

This strategy is about investing in sound companies, with sustainable business models and strategies over time, which benefit and will continue to benefit from this demographic shift.

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
- A 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



General information

Launch date	12 October 2015
Base currency	Euro
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 domiciled in Luxembourg

Share classes details

	Institutional investors	Retail investors	
Share class	B	D	E
Launch date	16 Oct 2015	16 Oct 2015	19 Feb 2016
Aggregate fee	0.75%	1.50%	2.20%
ISIN	LU1234787205	LU1234787460	LU1234787544
Bloomberg	GLSRIBX LX	GLSRIDX LX	GLSRIEX LX

Risk and reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards



1

2

3

4

5

6

7

- Equity Risk
- Sector Risk
- Derivatives Risk

*The risk category associated with the sub-fund is not guaranteed and may change over time. The lowest risk category does not mean "risk free". Your initial investment is not guaranteed.

Generali Investments SICAV SRI European Equity

Investing in European companies selected through our proprietary ESG criteria

GIS SRI European Equity is designed for investors wanting to gain exposure to European equities that comply with ESG criteria and are selected through a proprietary analysis process.

Within the defined SRI universe, the portfolio manager focuses on quality stocks with interesting growth perspectives in terms of solid growth prospects (sales revenue, benefits and cash generation) and attractive valuation opportunities.

Key features

- Invest in a 100% SRI (Socially Responsible Investments) compliant strategy focusing on European companies
- Access our fundamental bottom-up stock selection expertise, mainly based on cash flow analysis, with a focus on companies with solid balance sheets and interesting growth perspectives in terms of top and bottom line
- Benefit from our high conviction approach and focused but diversified portfolio of 60-80 stocks to generate a total return above the MSCI Europe index over time
- “ESG top picks”: the top ESG rated companies, for each of the 26 sector, are collectively over-weighted in the portfolio (vs. MSCI Europe)
- An independently audited and recognised SRI process (proprietary methodology), the sub-fund was awarded the official French Label ISR for 2017-2020

General information

Launch date	02 April 2002
Base currency	Euro
Benchmark	MSCI Europe Net - Total Return Index
Fund type	SICAV domiciled in Luxembourg

Share classes details

Share class	Institutional investors		Retail investors	
	B	C	D	E
Launch date	29 Aug 2008	29 Mar 2007	26 Nov 2003	26 Nov 2003
Aggregate fee	0.75%	1.00%	1.50%	2.20%
ISIN	LU0145455571	LU0145455811	LU0145456207	LU0169244745
Bloomberg	GENEDBX LX	GENEDCX LX	GENEDDX LX	GENEDEX LX

Risk and reward profile*

Lower risk
Potentially lower rewards

Higher risk
Potentially higher rewards



- Equity risk
- Derivatives risk



* The risk category associated with the sub-fund is not guaranteed and may change over time. The lowest risk category does not mean „risk free“. Your initial investment is not guaranteed.

** The subfunds GIS SRI Ageing Population and GIS SRI European Equity have been awarded with the “Label ISR” (SRI Label) of the French agency AFNOR in March 2017 for a period of 3 years.

Awards & Recognition



GIS SRI Ageing Population*
awarded by Novethic
FNG Label 2019



GIS SRI Ageing Population
and **GIS SRI European Equity****
awarded by AFNOR certification
Label ISR 2017-2020

*The subfund GIS SRI Aging Population has been awarded the FNG Label 2019 by the Forum Nachhaltige Geldanlagen e.V. (FNG).

** The subfunds GIS SRI Ageing Population and GIS SRI European Equity have been awarded with the „Label ISR“ (SRI Label) of the French agency AFNOR in March 2017 for a period of 3 years.

GIS SRI Ageing Population and GIS SRI European Equity are subfunds 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) managed by Generali Partners Europe S.p.A. Società di gestione del risparmio. Past performance provides no guarantee for the future. 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 is part of the Generali Group which was established in 1831 in Trieste as Assicurazioni Generali Austro-Italice. 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..

Who we are

Generali Investments

Generali Investments is the main asset management arm of Generali Group, one of the leading and most respected insurance companies in the world.

KEY FACTS AND FIGURES

€ 450 bn

ASSETS UNDER MANAGEMENT*

+450

EXPERIENCED INVESTMENT SPECIALISTS

187

YEARS OF EXPERIENCE**

15+

COUNTRIES

* Source: Generali Investments Partners S.p.A. Società di gestione del risparmio as at 31 December 2018.

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Generali Group

Generali Investments is backed by the Generali Group

KEY DATA*

50
million
customers

71
thousand
employees

150
thousands
agents

68
billion Euro
in premiums

487
billion Euro
in assets under
management

57th
largest company
in the world

A solid financial position*

**Agency
Rating**

MOODY'S
BAA1

FITCH
A-

AM Best
A+

Keeping in touch

Our quarterly SRI Newsletter: SR-highlight



You can find more information on our SRI approach on www.generali-investments.com

* Source: Generali Group, February 2019.



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www.generali-investments.com

DISCLAIMER

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