# Destination Value Total Return Fund^
## April Commentary 2024

***In April, we maintained our exposure to the financial, energy, and industrial sectors, favoring value stocks and benefiting from the cyclical rotation towards commodities. At the Macro level – which was the Strategy's top contributor to performance for the month - we continue to maintain a conservative stance regarding market expectations for the extent and timing of interest rate cuts. In fixed income, we continue to look with interest at selected issuances in the financial, energy, and telecommunications sectors.***

### Portfolio Update and Changes: Plenisfer Destination Value Total Return Fund

After five consecutive months of gains, April was marked by a **general weakness in equity markets** across various regions and sectors, especially in the first part of the month, due to geopolitical tensions and revised expectations regarding monetary policy easing. In the **bond market**, yields on 10-year government bonds reached new yearly highs in the United States (4.7%)**, Germany (2.6%), and the United Kingdom (4.4%). **Commodity** prices continued to rise, with Brent reaching $91 per barrel during the month, while gold briefly surpassed $2,400 before retracing towards the end of the month. The **Chinese market** also saw positive performance, although concerns about the fragility of the real estate sector persist.

The Fund closed the month with a return of **+0.67%** for the **Institutional Class in EUR** and a return of **-0.32%** for the **Institutional Class in USD** (EUR/USD exchange rate change during the month: -0.995%). The performance of the EUR-Hedged, **IYH**, and **IXH** share classes (whose hedging addresses exchange rate fluctuations relative to all non-EUR-denominated assets) was the same for both at **-0.02%**. The USD class is not available for retail investors; therefore, the **SX EUR Retail** share class had a return of **+0.58%** for the month, while the **SXH EUR** Hedged class had a return of **-0.12%**. (*For complete performance information, please refer to the end of the document*).
For the **IX USD** share class, the volatility since inception has been **8.60%**, while for the **IYH EUR hedged** and **SX EUR Retail** classes, it has been **7.09%** and **7.59%**, respectively.

^ Complete name of the Fund : Plenisfer Investments SICAV – Destination Value Total Return Fund
* Cumulative performance since the Fund's launch. For the complete set of information of the Fund, 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.

## Performance Commentary*:

| | | |
|---|---|---|
| **Macro** **+0.45%** | ↑ | Positive contribution from **COPPER** (GLENCORE PLC) with +0.20%, as the red metal reached its highest levels since October 2022. **Energy stocks** also rose by +0.18%, especially driven by **uranium-related names** (SPROTT PHYSICAL URANIUM TR +0.16%, YELLOW CAKE PLC +0.18%) and the oil sector for a total of +0.10%.<br>The positive performance of **bank stocks** continues, notably with the contribution of HSBC HOLDINGS +0.19%.<br>Positive contribution also comes from our **Chinese** allocations, benefiting from the recent recovery in China – with TENCENT HOLDINGS +0.12% and ALIBABA GROUP +0.02% performing well, supported by market recovery signals and company results. Negative contribution comes from the *currency* sub-strategy, impacted by the depreciation of the YEN -0.09%. Similarly negative is the contribution from the *Semiconductor* group, given the prospect of higher rates for longer and specific profit-taking after significant gains in recent months. |
| **Income** **-0.52%** | ↓ | Negative contribution from the **financial sector** -0.06%, similar to the position in US Treasury Inflation-Protected Securities (**TIPS**) maturing in 2053, which incurred a loss of -0.19% due to the movement of the yield curve. The **Telecom** sub-strategy also had a negative impact, influenced by the contribution of VODAFONE GROUP PLC for -0.13%. |
| **Alternative Risk Premia** **+0.27%** | ↑ | The **gold sector** performed well, serving as the main performance driver of the Strategy with +0.48%, supported by positions in Exchange-Traded Commodities (**ETCs**) +0.31% and the allocation to NEWMONT CORP +0.17%. Conversely, *Systematic Strategies* recorded a negative performance, with -0.14% on the Trend Following allocation and -0.07% on Volatility. |
| **Compounders** **-0.60%** | ↓ | Overall, the **Electrification** sub-strategy made a positive contribution of +0.23%, driven by the performance of **SALCEF** GROUP (+0.22%), which increased following the offer made for the company's privatization, partially offsetting the less stellar results from other sub-strategies.<br>Negative returns came from positions in META PLATFORMS -0.24%, AUTOSTORE HOLDINGS -0.29%, and ADVANTEST CORP -0.30%. AUTOSTORE was weighed down by weak published results, while META and ADVANTEST experienced consolidation following their earlier-year rallies. |



*All performance data for the Strategies are gross and denominated in euros.

| | | |
|---|---|---|
| **Special Situations +0.22%** | | The overall Strategy recorded a good result for the month, led by allocations to the **Stressed Value** segment, with a performance of +0.15%. This result is entirely attributable to **WEBUILD** SPA, which continues its excellent performance supported by further growth in orders and solid results published in recent weeks. Following is the sub-category **Stressed Distressed** with +0.06%, where GOL FINANCE SA stands out with +0.11% performance. |

**Portfolio management commentary*:**

In April, we maintained our exposure to the financial, energy, and industrial sectors, favoring value stocks and benefiting from the cyclical rotation towards commodities. Our allocation to **real assets** - gold, uranium - remains a primary component within the Fund, accounting for approximately **~15%** of the overall exposure.

Given the levels reached by gold, we began partially taking profits on ETCs, **funding a new position in NEWMONT CORP,** a US mining company trading at multiples that do not currently reflect the value of the precious metal, opened in April. We view this as a good opportunity in light of the company's historically low multiples compared to the underlying commodity itself.

In the **equity** segment, we maintain a small number of small and mid-cap companies, leaders in their business sectors, offering potential sources of return with low correlation to market betas. In April, we **closed the position in SALCEF GROUP** (+0.22% profit in April and 89 basis points from purchase), following the offer advanced for the privatization of the company at a realization price close to the expected final price, ahead of the operation's completion.

On a macro level, we continue to maintain a conservative stance regarding market expectations for the magnitude and timing of interest rate cuts, with a bond duration of approximately **~3.5 years**. Our expectations for structurally higher rates are also reflected in our position in the banking sector: the banks we have selected in this sector are well-positioned, supported by robust net interest margins and solid balance sheets.

In the **bond** side, we continue to favor selecting securities along the capital structure rather than based solely on credit ranking. We consistently look for selected issuances in the financial, energy, and telecommunications sectors with interest.



*All performance data for the Strategies are gross and denominated in euros.

## Monthly Outlook

After a two-year tightening of central banks, at the macro level, despite market expectations, we think **rates will remain higher for longer**: the decline in interest rates began to be discounted by the market starting last October but following more robust economic data and the slowing of the decline in inflation, these expectations have gradually receded.

The underlying geopolitical scenario remains unstable due to the two major outbreaks of war, the Russian-Ukrainian and the one between Israel and Hamas. This continues to impact the investment landscape, with direct contribution to the recovery of commodities and the energy sector in particular.

In terms of asset allocation, we think it should be oriented toward favoring **real assets** over financial assets. In **equity markets**, the problem of excessive **concentration** of indices, both global and U.S., on a few of the best-known stocks such as the so-called "*Magnificent Seven*" persists. This excessive concentration could also be a driver of downward volatility in the event of a market correction. The correct approach, in our opinion, should be **a diversified approach** that places a **share of real assets** alongside stocks and bonds. Thus, alongside a more strategic position on **gold** and **energy** stocks, we think that targeting those commodities that are essential to the energy transition, characterized by limited supply and growing demand, such as **copper** or **uranium,** should remain the focus for the coming months of the year. Although uranium was among the best-performing commodities in 2023, with prices up more than 80% thanks in part to the reopening of new nuclear power plants in several countries, primarily China, at Plenisfer we think the current bullish phase is long-term.

In our view, an efficient way to look at these allocations is through ETCs that offer direct exposure to the commodity by providing protection from the difficulties producers are facing. But if you have a medium- to long-term time horizon, it will be the producers' stocks that can offer individual opportunities. In addition to energy commodity producers, **gold** producers will also have to be monitored: **the factors,** such as central bank purchases, that have supported its 25% growth in three years **remain.** On the other hand, mining company stocks have valuations at historic lows, which have been hurt in the past by lower investment in new production capacity and rising production costs. However, the rise in raw material will allow companies to return to efficient mining, restoring operating margins. In addition, extremely compressed valuations should not be forgotten, which may represent an opportunity in light of strong balance sheets characterized by levels of capital expenditure and debt well below the levels seen in previous positive gold cycles.

Looking at the coming months, we see opportunities in **emerging markets** versus developed **markets**, with the **exception of China**. Here we think it is necessary to be very selective. A choice focused on high-quality stocks bought at reasonable prices could be the winning combination.

In currency terms, we then expect a **secular weakening of the dollar** from which emerging market bonds issued in local currencies could benefit. The election phases of countries such as Mexico or Indonesia will have to be monitored with particular attention.

Uncertainties, macroeconomic and on monetary maneuvers, impose caution about the prospects for monetary policy easing: this has particularly impacted the **bond market**, which we think may continue to offer attractive opportunities. We believe it is best to prefer companies with solid fundamentals, **Investment Grade**. We see opportunities in the short- and medium-term part of the curve, and we think companies, in the U.S. and Europe, that generate competitive cash flows, such as those in the energy and telecommunications sectors, or, selectively, in the financial sector, are to be preferred.

***Disclaimer***

**Performance information of the Fund**

### Net performance

| Class | ISIN | Launch date | Monthly 04.24 | YTD | Rolling last 12 months | Annualized since inception | 2021 | 2022 | 2023 | Cumulative since launch |
|---|---|---|---|---|---|---|---|---|---|---|
| I X USD Cap | LU2087694050 | 06/04/2020 | -0.32% | 3.40% | 9.68% | 6.28% | 8.21% | -6.25% | 9.37% | 26.85% |
| IYH EUR Dis | LU2087694647 | 04/05/2020 | -0.02% | 4.40% | 9.86% | 6.11% | 8.72% | -6.44% | 6.26% | 26.72% |
| I XH EUR Cap | LU2087694480 | 10/03/2021 | -0.02% | 4.40% | 9.85% | 2.96% | - | -6.48% | 6.24% | 9.61% |
| I X EUR Cap | LU2087693672 | 11/04/2022 | 0.67% | 6.74% | 13.14% | 4.43% | - | - | 5.67% | 9.49% |
| SXH EUR Cap | LU2185980054 | 06/05/2021 | -0.12% | 4.03% | 8.69% | 0.80% | - | -7.46% | 5.15% | 2.40% |
| SX EUR Cap | LU2185979551 | 06/05/2021 | 0.58% | 6.37% | 11.96% | 5.39% | - | -1.11% | 4.57% | 16.98% |
| SY EUR Dis | LU2185979809 | 05/12/2022 | 0.72% | 6.20% | 12.21% | 5.70% | - | - | 4.54% | 8.14% |

### Volatility indicators

| Class | ISIN | Launch date | Annual volatility since inception | Volatility 2021 | Volatility 2022 | Volatility 2023 | Sharpe ratio* | Sortino ratio* | Drawdown |
|---|---|---|---|---|---|---|---|---|---|
| I X USD Cap | LU2087694050 | 06/04/2020 | 8,60% | 6,20% | 10,85% | 8,47% | 0,50 | 0,49 | -1,82% |
| IYH EUR Distr. | LU2087694647 | 04/05/2020 | 7,09% | 5,88% | 8,04% | 6,68% | 0,75 | 0,72 | -1,30% |
| I XH EUR Cap | LU2087694480 | 10/03/2021 | 7,34% | - | 8,06% | 6,68% | 0,23 | 0,22 | -1,30% |
| I X EUR Cap | LU2087693672 | 11/04/2022 | 6,94% | - | - | 6,17% | 0,32 | 0,31 | -1,45% |
| SXH EUR Cap | LU2185980054 | 06/05/2021 | 7,49% | - | 8,05% | 6,69% | -0,08 | -0,08 | -1,71% |
| SX EUR Cap | LU2185979551 | 06/05/2021 | 7,59% | - | 7,65% | 6,18% | 0,54 | 0,51 | -1,54% |
| SY EUR Dis | LU2185979809 | 05/12/2022 | 6,11% | - | - | 5,99% | 0,39 | 0,38 | -1,36% |

Source: Plenisfer Investments. NAV Date: 30/04/2023. **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.

**^Fund Factsheet - Plenisfer Investments Sicav Société d'investissement à capital variable (SICAV) Luxembourg" - Destination Value Total Return ("Fund" or "Sub-Fund")**

Investment Objective and Policy: The objective of this Sub-Fund is to achieve a superior risk-adjusted total return over the market cycle. The goal is value creation through risk-adjusted total return. Achieving long-term capital appreciation and underlying income through a long-term focus on valuation and market cycles is key to achieving the Sub-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 (share class EUR ACCUMULATION)

Benchmark for performance fee calculation only: SOFR Index

Subscription/Redemption process: Valuation day, 13:00 Luxembourg time (T)/ Redemption: Valuation day, 13:00 Luxembourg time (T) + 5

Minimum subscription: € 500,000 share class I; € 1,500 share class R

Currency: USD

SFDR classification: The Fund promotes, among other features, the environmental or social characteristics set out in Article 8 of Regulation (EU) 2019/2088 on sustainability reporting in the financial services sector ("SFDR"). The Fund is not an Article 9 under SFDR (does not have sustainable investment as an objective). For all information on the SFDR (Sustainable Finance Disclosure), please refer to Annex B of the Prospectus ("pre-contractual document").

**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.**

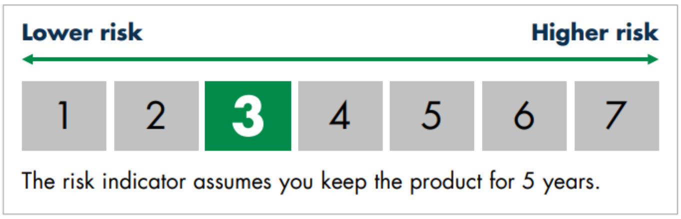
**Risk profile and inherent risks**

Risk factors: Investors should consider the specific risk warnings contained in section 6 of the Prospectus and more specifically those concerning: - Interest rate risk. - Credit risk. - Equity risk. - Emerging markets risk (including China**). There is no pre-determined limitation to exposure to emerging markets. Emerging market risk may therefore be high at times. - Frontier market risk. - Foreign exchange risk. - Volatility risk. - Liquidity risk. - Derivatives risk. - Short exposure risk. - Distressed debt risk. - Securitised debt risk. - Contingent Capital Securities Risk ('CoCos').**

**Destination Value Total Return**

**RISKS**

**Summary Risk Indicator**




Its purpose is to help investors understand the uncertainties associated with gains and losses that can impact their investment.

**List of available share classes and fees**

| ISIN | Share Class | Currency | Inception Date | BBG | Countries of registration | Management Fee and other costs | Entry Fee | Exit Fee | Transaction costs | Last Perf. fee* |
|---|---|---|---|---|---|---|---|---|---|---|
| LU2087694050 | I X Cap | USD | 04/06/2020 | DETVRIA LX | IT, ES, DE, AT, LU, CH, IE, PT | 0.90% | 0% | 0% | 0.28% | 0.2% |
| LU2087694647 | IYH EUR Dis | EUR (Hedged) | 04/05/2020 | DETVRYH LX | IT, ES, DE, AT, LU, CH, IE, PT | 0.95% | 0% | 0% | 0.28% | 1.17% |
| LU2087694480 | I XH EUR Cap | EUR (Hedged) | 10/03/2021 | DETVRIX LX | IT, ES, FR, DE, AT, LU, CH, IE, PT | 0.96% | 0% | 0% | 0.28% | 0.1% |
| LU2087693672 | I X EUR CAP | EUR | 11/04/2022 | DETVRIE LX | IT, ES, LU | 0.95% | 0% | 0% | 0.28% | 0% |
| LU2185978587 | RX EUR Cap | EUR | 10/06/2021 | - | IT, LU, PT | 1.46% | 5% | 0% | 0.28% | 0% |
| LU2185979049 | RXH EUR Cap | EUR (Hedged) | - | - | IT, LU, ES, PT | 1.46% | 5% | 0% | 0.28% | 0% |
| LU2185979551 | SX EUR Cap | EUR | 06/05/2021 | THTVRSE LX | IT, LU, FR, ES, PT | 2.01% | 4% | 0% | 0.28% | 0% |
| LU2185980054 | SXH EUR Cap | EUR (Hedged) | 06/05/2021 | THTVRSC LX | IT, LU, FR, ES, PT | 2.00% | 4% | 0% | 0.28% | 0.04% |
| LU2185979809 | SY EUR Dis. | EUR | 05/12/2022 | THTVRSD LX | IT | 1.97% | 4% | 0% | 0.28% | 0.01% |

**The performance fee is calculated according to 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 "SOFR Index" (the**

**performance fee benchmark). The actual amount will vary depending on the performance of your investment.** Tax aspects depend on the individual circumstances of each client and may change in the future. Please consult your financial advisor and your tax advisor for more details. Please refer to the countries of distribution and the website of the management company to find out if a class is available in your country and for your group of investors.

(#) Based on the latest KID - May 2023.

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