

DESTINATION VALUE TOTAL RETURN FUND[^]

MONTHLY COMMENTARY | AUGUST 2024

31 August 2024
Marketing Material

KEY MESSAGES

- August opened with a sudden increase in **volatility** in the markets.
- **Inflation** continued to slow and, in Jackson Hole, Powell gave a clear signal that the Federal Reserve is ready to begin the easing cycle in September. Markets quickly discounted a more accommodative trajectory for interest rates in the U.S. to end August in positive territory.
- The **Portfolio** had a **positive performance for the month**, despite the initial correction, thanks to the **Volatility Term Strategy** position that allowed us to benefit from the significant rise in the **VIX**.
- In fact, the best Portfolio contributor was the **Alternatives Strategy**, thanks to the position in **Volatility Futures** and the good performance of gold stocks.

MARKET BACKGROUND AND PORTFOLIO UPDATE

The beginning of August was marked by the return of **volatility** in equity markets, at a time when low summer volumes combined with concerns over U.S. growth, the slowdown of large tech companies, and the unwinding of the yen carry trade.

Money markets quickly priced in a more accommodative path for interest rate cuts in the U.S. At the Jackson Hole summit, Powell stated that the time has come to reassess monetary policy, sending a clear signal that the Federal Reserve is ready to begin the easing cycle in September. The leaders of other major central banks also indicated that interest rates would continue to decline, with the exception of the Bank of Japan.

Global equity markets subsequently rebounded, reaching new highs, with a rotation toward defensive sectors. Safe haven assets, particularly short-term government bonds and **gold**, performed well, with gold reaching new highs in USD, supported by the strengthening of the EUR, GBP, CHF, and JPY. **Oil** (WTI) remained stable around \$73 per barrel, despite tensions in the Middle East.

The Fund closed the month with a return of **+2.19%** for the **institutional USD share class** and **-0.26%** for the **institutional EUR share class** (EUR/USD exchange rate change for the month: +2.56%). The performance of the EUR-Hedged classes, **IYH** and **IXH** (which hedge against currency fluctuations of all non-EUR-denominated assets), was **+1.22%** for both.

There is no USD share class available for retail investors. The **SX EUR share class** posted a return of **-0.06%** for the month, while the **SXH EUR Hedged share class** delivered **+1.14%**. (For complete performance information, please refer to the end of the document.)

For the IX USD share class, **volatility** since inception was **8.70%**, while for the IYH EUR Hedged and SX EUR Retail share classes, volatility was **7.24%** and **7.72%**, respectively.

PERFORMANCE COMMENTARY*

<p>ALTERNATIVES +1.0%</p>	<p>The performance of our systematic volatility sub-strategy was solid, contributing a total of +0.56% to the portfolio. This was driven by the VIX rally in the first half of the month, with our position in the CBOE VIX FUTURE Sep24 contract gaining +1.53%. Gold mining stocks also performed well, contributing +0.47%, primarily led by the position in NEWMONT (+0.33%), followed by physical gold holdings via ETCs, which contributed a total of +0.14%.</p>
<p>INCOME +0.84%</p>	<p>The subordinated financials subgroup led the Strategy's performance with a contribution of +0.35%. Foreign banks, such as UBS GROUP AG FLT PERP SR and BARCLAYS PLC FLT PERP, together added +0.08%. Following this were the Telecom group, contributing +0.20%, with VODAFONE GROUP PLC alone accounting for +0.15%, and the Energy sector with +0.18%.</p>
<p>COMPOUNDERS +0.65%</p>	<p>The Best in Class subcategory performed well, contributing +0.59% to the overall portfolio. Notable positions within this group included ADVANTEST CORP (+0.17%), which rose despite weakness in the Japanese market, as well as INTERACTIVE BROKERS and META PLATFORMS, both contributing +0.18%. Among the detractors for the month were AUTOSTORE HOLDINGS LTD with -0.15% and ULTA with -0.06%, both correcting on fears of increasing competition in their sectors.</p>
<p>SPECIAL SITUATIONS +0.32%</p>	<p>The Equity Value category led the Strategy's performance with a total contribution of +0.22%, entirely driven by the position in WEBUILD SPA. The company recently signed a Memorandum of Understanding with Ansaldo Energia to develop SMRs (small modular reactors) and fourth-generation nuclear power plants over the next five years, presenting an opportunity tied to increased investments in nuclear energy. This initiative, along with an agreement with Edison for hydropower basins, offers significant growth potential complementary to its traditional infrastructure business. This was followed by the Stressed & Distressed segment, which contributed +0.10%.</p>
<p>MACRO -0.49%</p>	<p>There was a positive contribution from Long Duration and Curve Steepening positions, which together added +0.34%, reflecting the movements in the U.S. yield curve. Among the detractors, the recent weakness in copper prices impacted industrial commodity positions, primarily IVANHOE ELECTRIC (-0.50%) and GLENCORE PLC (-0.10%). The banking equity segment corrected with a -0.17% contribution, weighed down by concerns over an economic slowdown. There was also a negative contribution from the energy equity sector at -0.26%, with uranium-related names in correction, including YELLOW CAKE (-0.11%) and SPROTT (-0.13%).</p>

INVESTMENT ACTIVITY COMMENTARY

In August, along with the significant increase in market volatility, which led to a day of panic not seen since 2008 or 2011, mixed economic data emerged from the United States. These contributed to making the soft-landing scenario a possibility once again, as signs of weakness appeared in the labor market, while real-time GDP estimates suggested another quarter of growth. **Inflation** continued to slow, and at Jackson Hole, Powell sent a clear signal that the Federal Reserve is ready to begin the easing cycle in September. Markets quickly priced in a more accommodative path for U.S. interest rates, allowing equity markets to set aside early-month fears and close August in positive territory (S&P500 +2.43% for the month).

Eurozone data was **mixed**: business surveys indicated overall expansion, but manufacturing output remained weak. It is clear that Germany is facing a significant challenge in repositioning its economy. **The portfolio posted positive performance in August**, despite the early-month correction. On the darkest day of the month (August 5th), the **Volatility Term Strategy** – within the Alternatives strategy – allowed us to benefit from the sharp rise in the VIX, a measure of implied volatility in the S&P500, which nearly tripled in a single day, thereby limiting the portfolio's correction.

Exposure to **real assets** – uranium, copper, gold – remains a key component of the portfolio. Our underlying view on **uranium** has not changed. The imbalance between supply and demand has been confirmed by the world's leading operator, who reported a slowdown in production due to technical issues. On the other hand, the construction and reactivation of nuclear power plants is proceeding according to our estimates. We view the recent weakness as an entry opportunity.

We are closely monitoring our position in **copper**, considering the slowdown in Chinese demand, particularly from the real estate sector, which has turned the expected supply deficit into a temporary surplus, putting downward pressure on prices in the short term.

Gold continues to perform well, reaching new highs in USD, supported by the strengthening of EUR, GBP, CHF, and JPY. With a +21% return year-to-date, it remains one of the best-performing asset classes of 2024.

In **equities**, we maintain a selection of companies that are leaders in their respective sectors. During the month, we took advantage of price fluctuations in some names to optimize portfolio weights and positions.

On the **fixed income** front, we have reduced duration to approximately 3.6 years and maintain a Steepening position on the U.S. yield curve. We continue to benefit from the yields offered by the short end of the curve. In **credit**, we favor high-quality issuers with low default risk, while maintaining exposure to subordinated financials and industrials.

Disclaimer

Performance information of the Fund

Class	ISIN	Launch date	Monthly 08.24	Quarter to Date	YTD	Rolling last 12 months	Annualized since inception	2021	2022	2023	Cumulative since launch
I X USD Cap	LU2087694050	04/06/2020	2,19%	5,11%	8,98%	14,13%	7,09%	8,21%	-6,25%	9,37%	33,70%
IYH EUR Dis	LU2087694647	04/05/2020	1,22%	3,61%	8,31%	12,48%	6,53%	8,72%	-6,44%	6,26%	31,46%
I XH EUR Cap	LU2087694480	10/03/2021	1,22%	3,61%	8,31%	12,46%	3,76%	-	-6,48%	6,24%	13,71%
I X EUR Cap	LU2087693672	11/04/2022	-0,26%	1,45%	8,47%	12,32%	4,49%	-	-	5,67%	11,26%
SXH EUR Cap	LU2185980054	06/05/2021	1,14%	3,42%	7,55%	11,29%	1,73%	-	-7,46%	5,15%	5,86%
SX EUR Cap	LU2185979551	06/05/2021	-0,06%	1,72%	8,19%	11,66%	5,37%	-	-1,11%	4,57%	18,98%
SY EUR Dis	LU2185979809	05/12/2022	-0,33%	1,11%	7,47%	10,53%	5,30%	-	-	4,54%	9,44%

Class	ISIN	Launch date	Annual volatility since inception	Volatility 2021	Volatility 2022	Volatility 2023	Sharpe ratio*	Sortino ratio*	Drawdown
I X USD Cap	LU2087694050	04/06/2020	8,70%	6,20%	10,85%	8,47%	0,57	0,56	-0,16%
IYH EUR Distr.	LU2087694647	04/05/2020	7,24%	5,88%	8,04%	6,68%	0,77	0,73	-0,15%
I XH EUR Cap	LU2087694480	10/03/2021	7,50%	-	8,06%	6,68%	0,31	0,28	-0,13%
I X EUR Cap	LU2087693672	11/04/2022	7,15%	-	-	6,17%	0,29	0,28	-1,01%
SXH EUR Cap	LU2185980054	06/05/2021	7,65%	-	8,05%	6,69%	0,01	0,01	-0,64%
SX EUR Cap	LU2185979551	06/05/2021	7,72%	-	7,65%	6,18%	0,50	0,47	-1,38%
SY EUR Dis	LU2185979809	05/12/2022	6,45%	-	-	5,99%	0,29	0,28	-1,24%

Source: Plenisfer Investments. Data as of 31/08/2024. **Past performance is not a reliable indicator of future results and can be misleading. All performances are presented net of fees, except any 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.

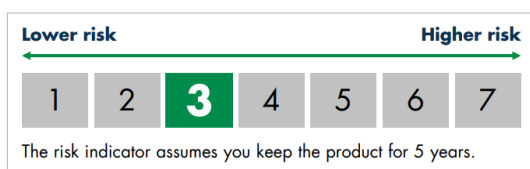
Risk profile and inherent risks

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 2024.

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