

DESTINATION VALUE TOTAL RETURN FUND[^]

MONTHLY COMMENTARY | NOVEMBER 2024

30 November 2024
Marketing Material

KEY MESSAGES

- *Inflation: Resilient in the U.S., back to target in the Eurozone. Rate cuts: The Fed adopts a cautious approach, while the ECB steps in to support growth.*
- *The "higher for longer" thesis on yields remains intact in the U.S., whereas European yields stay lower due to more modest growth. Corporate spreads are at their lowest levels in decades.*
- *Equity markets have posted significant gains, with notable dynamism among small caps, Japanese stocks, and the energy and financial sectors. Potential tax cuts and deregulation could benefit U.S. equities in the coming months. Volatility remains elevated, driven by political shifts.*
- *The Destination Value Total Return Portfolio delivered positive performance for Euro Hedged institutional share classes (+0.4%), very positive results for euro-denominated classes (+2.3%), and slightly negative performance for USD classes (-0.4%), reflecting euro-dollar exchange rate dynamics during the month. The Compounders strategy was the top contributor for the month, adding +0.72% to the Portfolio.*

MARKET BACKGROUND

Donald Trump's victory in the U.S. elections was the primary market driver in November, reaffirming investors' appetite for riskier assets—a trend likely to persist through year-end.

From a **macroeconomic perspective**, the U.S. economy continues to demonstrate robust growth, fueled by domestic demand and productivity gains. Inflation has continued to decline, enabling the Fed to initiate its monetary easing cycle. The Eurozone is recovering at a slower pace, constrained by low productivity that limits potential growth. Peripheral countries like Spain and Italy are exhibiting above-average growth, while Germany and France face the risk of stagnation. In China, growth has lost momentum throughout the year, hindered by the ongoing real estate crisis and uncertain income and employment prospects, which have dampened private-sector sentiment.

Equity markets posted significant gains, with particular strength in small caps, Japanese stocks, and the energy and financial sectors. Bitcoin also rose, as did the dollar. Prospects for U.S. equities remain positive, according to consensus, buoyed by potential tax cuts and regulatory easing announced by the president-elect.

In the **fixed-income** space, the continued strength of the U.S. economy initially pushed long-term yields higher before they returned to late October levels. A potential acceleration in growth, supported by fiscal expansion, and the inflationary impact of tariffs could limit monetary policy easing and drive the term premium higher.

Investment-grade (IG) **credit** benefited from strong institutional demand and fund flows. Attractive yield levels, coupled with fading recession fears, have bolstered demand for high-yield (HY) credit. Consequently, spreads tightened despite robust issuance. Similar to the IG market, U.S. HY spreads are near their lowest levels in 26 years.

Turning to **commodities**, oil prices were volatile during the month. Despite geopolitical risks tied to the Middle East conflict, prices reflect a weak global demand environment. Recent stimulus announcements from China have not alleviated concerns about the country's energy demand growth, while strong non-OPEC+ supply, driven by record U.S. production, has heightened apprehension.

Gold prices reached an all-time high before the end of October but saw significant profit-taking following the U.S. elections, as U.S. yields and the dollar strengthened. Sentiment surrounding Chinese demand remains a headwind for **copper** prices. However, indicators of underlying physical demand remain robust, with electric grid spending exceeding typical trends.

FUND MANAGEMENT COMMENTARY*

Class	ISIN	Launch date	Monthly 11.24	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	-0.44%	-3.01%	9.11%	13.05%	6.71%	8.21%	-6.25%	9.37%	33.87%
IYH EUR Dis	LU2087694647	04/05/2020	0.37%	-1.32%	9.95%	13.50%	6.51%	8.72%	-6.44%	6.26%	33.46%
I XH EUR Cap	LU2087694480	10/03/2021	0.37%	-1.32%	9.91%	13.43%	3.92%	-	-6.48%	6.24%	15.39%
I X EUR Cap	LU2087693672	11/04/2022	2.37%	2.51%	13.84%	17.17%	5.96%	-	-	5.67%	16.77%
SXH EUR Cap	LU2185980054	06/05/2021	0.33%	-1.77%	9.02%	12.43%	2.00%	-	-7.46%	5.15%	7.31%
SX EUR Cap	LU2185979551	06/05/2021	2.14%	1.99%	13.07%	16.26%	6.29%	-	-1.11%	4.57%	24.34%
SY EUR Dis	LU2185979809	05/12/2022	2.30%	2.37%	12.57%	15.36%	7.09%	-	-	4.54%	14.63%

The **Destination Value Total Return Portfolio** delivered positive performance for Euro Hedged institutional share classes (+0.4%), very strong results for euro-denominated classes (+2.3%), and slightly negative performance for USD classes (-0.4%), reflecting euro-dollar exchange rate dynamics during the month. The **Compounders strategy** was the top performer, contributing +0.72% to the Portfolio.

Following Trump's victory, markets regained momentum. **Global equity** indices reached new highs in dollar terms, driven by U.S. indices. The strength of U.S. equities, supported by expectations of favorable policies from the incoming administration, has heightened the risk of market concentration. Many S&P 500 stocks have lagged behind the major tech names leading the AI rally.

Equity markets in Europe and Asia remained weaker, affected by the threat of tariffs from the incoming Trump administration and sluggish economic growth (Europe) or a lack of acceleration (China). Non-U.S. equity markets offer attractive **valuations**, presenting compelling opportunities for stock pickers. **We continue to seek high-quality companies** capable of thriving amidst rising global trade tensions, whose valuations have lagged behind their U.S. competitors.

On the **fixed-income** side, we maintained **duration** at approximately 3.9 years during the month. In the current environment of narrow spreads, we continue to seek value in **subordinated bonds** from the financial, energy, and industrial sectors, focusing on high-quality companies with near-term call dates and high carry.

Gold weakened during the month, contributing slightly negatively to performance after its strong year-to-date rally (+28%). We actively manage **currency** exposure through options and tactically increased our exposure to the U.S. dollar during the month. The dollar's strength continues to reward this strategy, contributing positively to performance.

Focus on **Strategies**:

COMPOUNDERS

+0.72%

The **Best in Class** category led the Strategy's performance with a contribution of +0.68%. The position in INTERACTIVE BROKERS GRO-CL continues to deliver strong results, driving its impressive year-to-date performance (+120% YTD) and contributing +0.69% to the Portfolio this month. Among the main detractors were AIA (-0.14%) and ADVANTEST CORP (-0.09%), reflecting some profit-taking after their strong performances in recent weeks.

ALTERNATIVES

+0.10%

Negative contribution from **gold-related strategies**, which lost 0.12% (primarily due to the position in gold miners via the VANECK GOLD MINERS UCITS ETF), following the strong rally in the previous months. We remain constructive on the outlook for the precious metal, actively managing portfolio positions to capitalize on potential volatility scenarios in the coming weeks. Positive movement for the **Trend Following** systematic strategies, +0.21%, with the position in S&P500 EMINI FUT Dec24, while the Volatility Term Strategy lost 0.06%, despite the position in the CBOE VIX FUTURE Jan25 contract gaining +0.44%

SPECIAL SITUATIONS

-0.03%

The **Stressed & Distressed category** led performance with a total contribution of +0.14%, but its positive impact was partially offset by the negative contribution from the **Equity Value** category, which was -0.17%. The result can be attributed to the position in VODAFONE GROUP PLC, with -0.11%, and WEBUILD SPA, with -0.06%. The recent announcement of the merger between Vodafone and 3 in the UK market could serve as a positive catalyst for the telecom company in the coming weeks. We remain constructive on the stock's future outlook.

INCOME

-0.25%

The **subordinated financials** subgroup lost 0.15% during the month, due to positions in both Italian and foreign banks. The **Energy** subgroup also contributed negatively with -0.08%, with the position in PETROBRAS GLOBAL FINANCE standing out with +0.01%. We maintain an active approach to identify the best carry opportunities in a context of historically low spreads and the ongoing decline in interest rates, particularly in the Eurozone. Finally, the **Telecom** group posted a slightly positive result (+0.01%), primarily due to the position in VODAFONE GROUP PL.

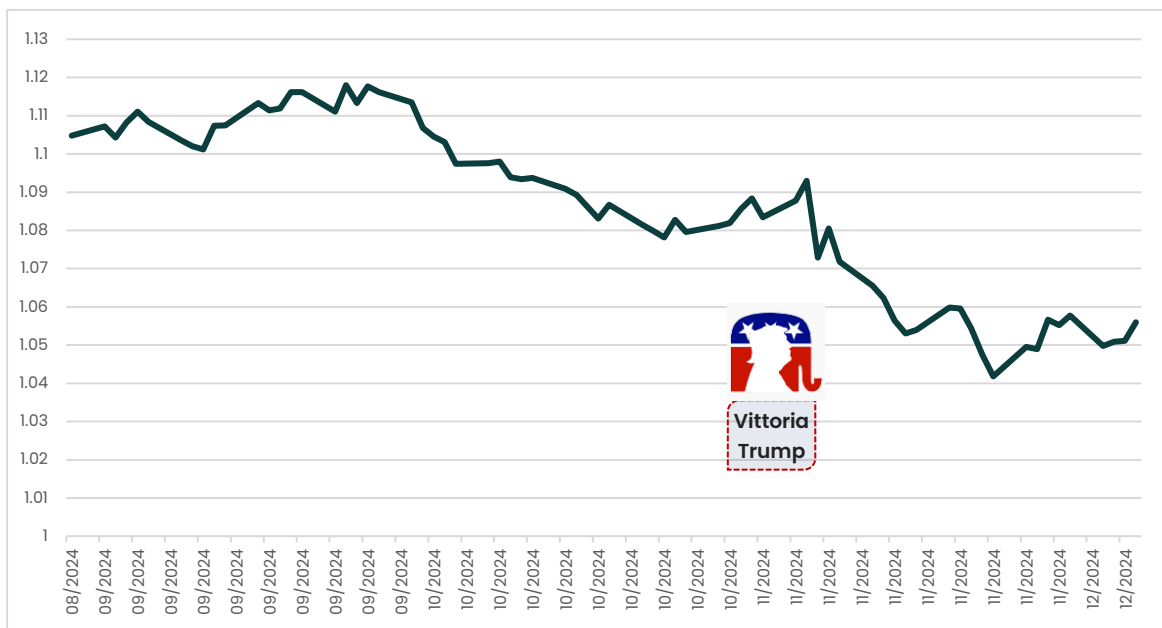
MACRO

-1.17%

The best-performing segment within the strategy was **Long Duration**, with +0.04% (thanks to the position in US 5YR NOTE (CBT) Mar25), in light of the movement in interest rates during the month. **Industrial Commodities** lost 0.25%, following the weakness in copper

prices during the month, which impacted the two positions in GLENCORE PLC (-0.13%) and IVANHOE ELECTRIC INC/US (-0.12%). Negative movement for **uranium-related names**, SPROTT and YELLOW CAKE, with a total loss of -0.09%. The Banks and China segments both lost 0.3%, slowing down after the Chinese rally in the second half of September, with UNICREDIT SPA (-0.29%) and ALIBABA GROUP HOLDING (-0.32%) weighing on performance.

CHART OF THE MONTH | Euro-Dollar exchange rate approaching parity?



Source: Bloomberg, Plenisfer Investments. Data as of 05/12/2024. For illustrative purposes only.

Disclaimer

Performance information of the Fund

Class	ISIN	Launch date	Monthly 11.24	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	-0.44%	-3.01%	9.11%	13.05%	6.71%	8.21%	-6.25%	9.37%	33.87%
IYH EUR Dis	LU2087694647	04/05/2020	0.37%	-1.32%	9.95%	13.50%	6.51%	8.72%	-6.44%	6.26%	33.46%
I XH EUR Cap	LU2087694480	10/03/2021	0.37%	-1.32%	9.91%	13.43%	3.92%	-	-6.48%	6.24%	15.39%
I X EUR Cap	LU2087693672	11/04/2022	2.37%	2.51%	13.84%	17.17%	5.96%	-	-	5.67%	16.77%
SXH EUR Cap	LU2185980054	06/05/2021	0.33%	-1.77%	9.02%	12.43%	2.00%	-	-7.46%	5.15%	7.31%
SX EUR Cap	LU2185979551	06/05/2021	2.14%	1.99%	13.07%	16.26%	6.29%	-	-1.11%	4.57%	24.34%
SY EUR Dis	LU2185979809	05/12/2022	2.30%	2.37%	12.57%	15.36%	7.09%	-	-	4.54%	14.63%

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	8.51%	6.20%	10.85%	8.47%	0.48	0.69	-3.66%
IYH EUR Distr.	LU2087694647	04/05/2020	7.19%	5.88%	8.04%	6.68%	0.73	1.04	-1.92%
I XH EUR Cap	LU2087694480	10/03/2021	7.43%	-	8.06%	6.68%	0.30	0.43	-1.92%
I X EUR Cap	LU2087693672	11/04/2022	7.16%	-	-	6.17%	0.47	0.69	-1.05%
SXH EUR Cap	LU2185980054	06/05/2021	7.62%	-	8.05%	6.69%	0.03	0.04	-2.40%
SX EUR Cap	LU2185979551	06/05/2021	7.71%	-	7.65%	6.18%	0.59	0.81	-1.01%
SY EUR Dis	LU2185979809	05/12/2022	6.56%	-	-	5.99%	0.55	0.80	-1.05%

Source: Plenisfer Investments. Data as of 30/11/2024. **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.

Important information:

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Investment management involves many risks, including political and currency risks, and could result in the loss of invested capital. There can be no assurance that the Fund's investment objectives will be met or that its investment programme will be successful.

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