

# Epsilon Fund - Euro Bond I, EUR Accumulation

Data as of 09/30/2021

This Sub-Fund is managed by Eurizon Capital S.A.

<b>NAV (in EUR)</b>	195.15	<b>Fund Size (in EUR)</b>	4763 mil	<b>Number of Holdings</b>	220
<b>Morningstar Rating™</b>	★★★★★	<b>Fund Manager</b>	Paolo Bernardelli		
Morningstar Rating™ referred to 08/31/2021					
<b>Class Unit Inception Date</b>	01/08/2007				

## Investment / Performance Objectives & policy

This Sub-Fund's net assets are invested mainly in high and medium quality ("investment grade") debt and debt-related instruments issued by public authorities from any country and denominated in Euro, as well as term deposits with credit institutions.

On an ancillary basis, the Sub-Fund's net assets may be invested in any other instruments, such as but not limited to UCITS (up to 10%) of any kind and cash.

The Sub-Fund may use derivatives financial instruments aiming at hedging risks, ensuring efficient portfolio management and/or investing according to the Investment Policy. The use of derivatives financial instruments for investment purposes may amplify the up and down fluctuations of the Sub-Fund's Net Asset Value per Unit.

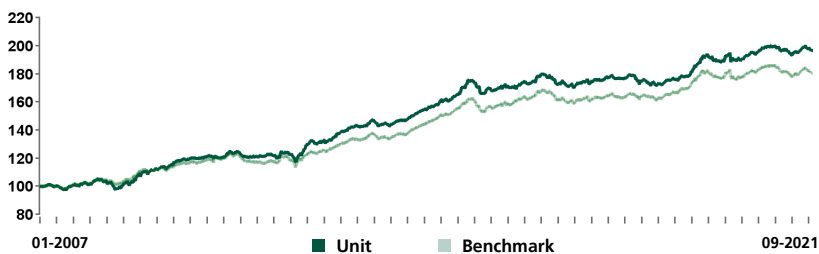
For more information read the Prospectus or Key Investor Information Document (KIID).

## Benchmark

100% JPM Euro Government Bond Index

## Performance and NAV Evolution\*

### NAV Evolution since launch



### Cumulative and Annualized Performance

	Unit	Benchmark	Unit	Benchmark
	Cumulative		Annualized	
<b>YTD</b>	-1.47%	-3.05%	-	-
<b>1M</b>	-0.68%	-1.15%	-	-
<b>3M</b>	0.38%	0.05%	-	-
<b>1Y</b>	-0.07%	-1.75%	-	-
<b>3Y</b>	13.31%	10.65%	4.24%	3.42%
<b>5Y</b>	9.88%	7.23%	1.90%	1.40%
<b>Since Launch</b>	95.80%	79.70%	4.66%	4.06%

### Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
<b>Annualized Volatility Unit</b>	2.60%	3.02%	3.77%	3.56%	4.07%
<b>Annualized Volatility Benchmark</b>	3.17%	3.59%	4.36%	3.99%	4.02%
<b>Tracking Error Volatility</b>	1.03%	1.03%	1.42%	1.36%	1.61%
<b>Sharpe Ratio</b>	0.04	0.15	1.22	0.65	0.96
<b>Information Ratio</b>	0.88	1.63	0.58	0.36	0.38
<b>Beta</b>	0.78	0.81	0.82	0.84	0.93

### Annual Performance (Calendar Year)

	Unit	Benchmark
<b>2020</b>	5.84%	5.15%
<b>2019</b>	7.39%	6.94%
<b>2018</b>	-0.63%	1.00%
<b>2017</b>	1.10%	0.41%
<b>2016</b>	2.63%	3.13%

\*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case). Reference period: YTD (year to date) from 01/01/2021 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

## Risk and Reward Profile



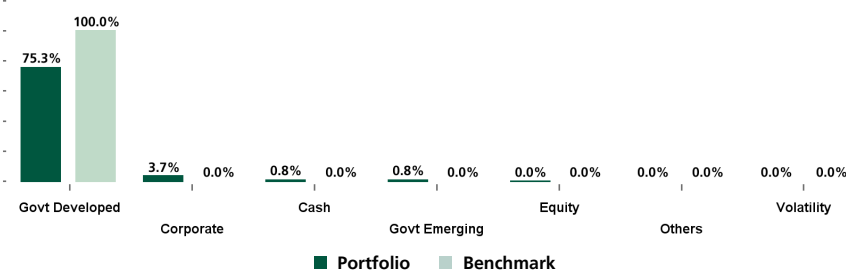
- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the sub-fund.
- The risk and reward category indicated is not guaranteed to remain unchanged and the categorisation may shift over time.
- The lowest category does not mean a risk free investment.

For more information about the risks as well as the fees and conditions, you must read the Key Investor Information Document (KIID) and the Prospectus (please refer in particular to section "1.2. Investment Objective and Risks Factors").

Data as of 09/30/2021

## Portfolio Information

### Asset Breakdown



### Sector Allocation

	Portfolio
Treasury	55.96%
<b>Government Related</b>	
Agency	0.87%
Local Authority	0.14%
Supranational	-
Sovereign	12.32%
<b>Corporate</b>	
Industrial	0.30%
Financial Institutions	1.99%
Utility	1.11%
Securitized	-

Derivatives	Weight
Currency	0.84%
Equity	-
Interest rate	-19.38%

### Top 10 Holdings (excluding cash)

	Weight	Sector	Duration	Rating S&P
BKO 0 03/11/22	14.81%	Government	0.43	AAA
BKO 0 03/10/23	8.46%	Government	1.44	AAA
DBR 2 1/2 08/15/46	5.74%	Government	20.12	AAA
FRTR 1 11/25/25	4.41%	Government	4.07	AA
DBR 0 02/15/31	4.37%	Government	9.39	AAA
FRTR 0 3/4 11/25/28	4.15%	Government	6.96	AA
SPGB 0,6% 10/31/29	3.87%	Government	7.85	A
BTPS 0,4 04/11/24 VL...	3.78%	Government	2.49	BBB
BTPS 0,65 10/28/27 BT...	3.72%	Government	5.90	BBB
BTPS 0 05/21/26 BTPIT...	3.53%	Government	4.55	BBB

### Duration Evolution

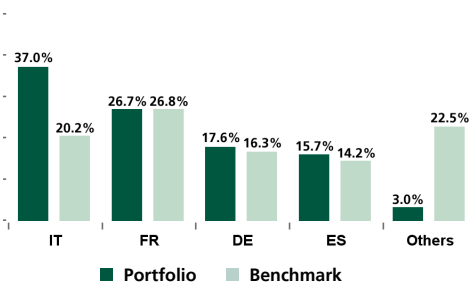
	Portfolio
04-2021	6.70
05-2021	8.03
06-2021	6.97
07-2021	6.97
08-2021	6.63
09-2021	6.90

### Portfolio Characteristics

	Portfolio
Weighted Average Coupon	2.22%
Current Yield	1.82%
Average Rating	A
Yield to Worst*	0.25%

\*The portfolio Yield to Worst refers only to the component of fixed income and is calculated as a weighted average of returns of the single bond instruments, where the weighting takes place with respect to the value of the individual instrument. Returns hold account of the operating probabilities of the optional components possibly present in the bonds.

### Duration Contribution by Country



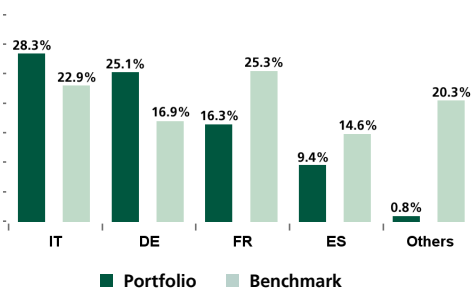
### Contribution to Duration by Maturity

	% Contrib.
0-1	0.94%
1-3	3.76%
3-5	8.62%
5-7	0.20%
7-10	-0.03%
>10	86.51%
<b>Total</b>	<b>100.00%</b>

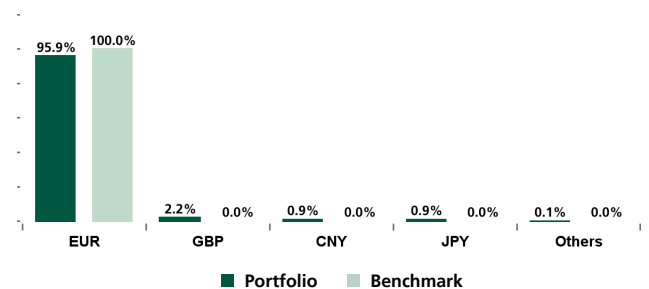
### Allocation by S&P Rating / Maturity

	0-1	1-3	3-5	5-7	7-10	>10	Total
AAA	14.79%	8.44%	0.00%	0.00%	-5.60%	6.79%	24.42%
AA	0.15%	0.00%	4.41%	-4.26%	1.13%	12.69%	14.12%
A	0.01%	0.05%	0.53%	0.56%	5.77%	3.68%	10.60%
BBB	0.12%	5.73%	10.45%	4.20%	-0.11%	9.38%	29.77%
BB	0.00%	-	0.00%	0.02%	0.02%	0.05%	0.09%
B	0.00%	-	-	-	-	-	0.00%
Below B	-	-	-	-	-	-	-
<b>Total</b>	<b>15.08%</b>	<b>14.22%</b>	<b>15.39%</b>	<b>0.53%</b>	<b>1.20%</b>	<b>32.59%</b>	

### Geographical Breakdown by Issuer



### Currency Breakdown



Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

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Before investing, investors should carefully read the Prospectus and/or Key Investor Information Document and carefully consider the investment objectives, risks, charges and expenses. The latest Prospectus, Key Investor Information Document, Annual and Semi-Annual reports are available, free of charge and in hardcopy by local representative or paying agent, on the Management Company's website (www.eurizoncapital.com)

Data as of 09/30/2021

## Investment Manager Commentary

### Market Development

September was characterised by the important monetary policy meetings, particularly on the other side of the Atlantic. The US Central Bank revised its growth and inflation estimates and hinted that it was ready to review its plan to purchase government and agency bonds on the secondary market. Meanwhile, the European Central Bank confirmed its accommodative monetary policy and put off making any decisions on the subject until December. The change in tone, albeit marginal, was nevertheless noted by financial operators, and after a long period of very flat interest rates on government bonds, September saw yields rise again worldwide. Financial markets for the risk asset classes were first affected by the regulatory clampdown in China and then by volatility in bonds. Economic data in the coming month, particularly US labour market and business confidence data, will, as always, be important in determining the equilibrium value of the asset classes.

### Performance and Investment Choices

The Fund actively managed duration exposure in September, maintaining underweight exposure on average against the benchmark. It continued to favour an allocation towards investment grade corporate bonds over semi-core European government bonds as a means of diversifying and improving the risk/return ratio. The marginal preference to Italy was maintained through investments in the short and medium-term segment, mainly in inflation-linked securities. The Fund maintained its exposure along the entire Italian yield curve using futures and the investment in the newly issued green government bond. Positions remained underweight against the benchmark on Ireland, Portugal, Austria and the Netherlands. The underweight position on Spain was also maintained. The Fund repositioned itself in "green" investment grade corporate bonds to enhance yields and increase diversification. The Fund maintained a slight underweight exposure to US government bonds using futures and closed out its short exposure to UK government bonds at a profit.

In terms of currencies, the position in Chinese securities and currency held through a dedicated in-house fund was maintained. Exposure to sterling and to yen was maintained for diversification.

The Fund delivered a negative performance, albeit better than the benchmark. Defensive positioning in semi-core and core Euro Area countries contributed positively to performance against the benchmark. The contribution from currency and geographic diversification was neutral.

### Outlook and Investment Strategy

In the month ahead, the market will remain largely focused on economic data and on monetary policy decisions in connection with the unconventional policies adopted by central banks. We believe the conditions are right for a substantial cyclical improvement in 2021, supported mainly by growth in fixed investments. In this respect, the implementation and success of the European Commission's "Next Generation EU" plan is a key element in fostering structural economic improvement even in the Euro Area. As a result, the Sub-Fund will continue to take advantage and monitor market conditions, actively adjusting the composition of its investments. A reduction in accommodative financial conditions in the coming months is expected to be justified and portfolio positioning will be adjusted accordingly.

Source: Eurizon Capital SGR S.p.A., the Investment Manager of the Sub-Fund.

**This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.**

## Fund Overview

<b>Legal Status</b>	Fonds Commun de Placement (FCP)/UCITS
<b>Home jurisdiction of the Fund</b>	Luxemburg
<b>ISIN Code</b>	LU0278427041
<b>Class Unit Inception Date</b>	01/08/2007
<b>Valuation</b>	Daily
<b>Bloomberg Code</b>	EURZEUB LX
<b>Entry Charge</b>	-
<b>Exit Charge</b>	-
<b>Ongoing Charge</b>	0.37%
<b>Management Fees</b>	0.25%
<b>Performance Fee</b>	The performance fees are calculated in accordance with the methodology described in the prospectus using a participation rate of 15.00% of any returns the Fund achieves above the Benchmark.
<b>Minimum initial subscription amount</b>	3,000,000 EUR
<b>Taxes</b>	The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor.
<b>Management Company</b>	Eurizon Capital S.A.
<b>Investment Manager of the Sub-Fund</b>	Eurizon Capital SGR S.p.A.
<b>Category</b>	EUR GOVERNMENT BOND

**The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.**

The Sub-Fund is not an Index-tracking UCITS and then does not intend to passively replicate, track or leverage the performance of a Benchmark through synthetic or physical replication.

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Data as of 09/30/2021

## Access to Fund documents and other information in your country

Before taking any investment decision, you must read the Prospectus, the Key Investor Information Document (the "KIID"), as well as the Management Regulations and the last available annual or semi-annual financial report. These documents may be obtained at any time, free of charge at the Management Company's website: [www.eurizoncapital.com](http://www.eurizoncapital.com). Paper copies of these documents may also be obtained from the Management company of the Fund upon request at Eurizon Capital S.A, 8 avenue de la Liberté, L-1020 Luxembourg, Grand Duchy of Luxembourg. The KIIDs are available in the official local language of the EU/EEA country of distribution. The Prospectus is available in English and French.

Please note that not all sub-funds are registered in all countries where Eurizon Capital SA provide its services. Please contact Eurizon Capital S.A. to know if the sub-fund is available in your country of residence. For sub-funds registered in Luxembourg, Germany, Spain and Switzerland below information should be noted:

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## IMPORTANT INFORMATION

This marketing communication relates to the Fund and its Sub-Fund, organized as a mutual investment fund in transferable securities or a "Fonds Commun de Placement" (FCP). The Fund is an undertaking for collective investment in accordance with UCITS Directive 2009/65/CE and registered in Luxembourg pursuant to the Part I of the Law of 17 December 2010 (the "Law of 2010") on undertaking for collective investment. The Fund is registered in Luxembourg Trade and Companies Register under number K350 at 8 avenue de la Liberté, L-1020 Luxembourg. This marketing communication is issued by Eurizon Capital S.A (the "Management Company"), organized as a public limited company in accordance with the Law of 1915 and registered in the Luxembourg Trade and Companies Register under number B.28536 at 8 avenue de la Liberté, L-1020 Luxembourg. This communication is intended for professional investors as per MiFID, exclusively in the countries as defined in this present document. This document does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Unit is suitable to your personal situation and understand the related risks and tax impacts. Before making an investment decision, you must read the Prospectus and KIIDs, and in particular the risk factors pertaining to an investment in the Sub-Fund.

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Piazzetta Giordano dell'Amore, 3, 20121 Milan and authorized to act as investment manager under the supervision of CONSOB.

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## Contacts

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Société Anonyme - R.C.S. Luxembourg N. B28536 - V.A.T. number : 2001 22 33 923 - N. I.B.L.C. : 19164124 - IBAN LU19 00241631 3496 3800.  
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