Epsilon Fund - Euro Bond I, EUR Accumulation

Data as of 02/29/2024

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

NAV (in EUR)	172.99	**Fund Size (in EUR)**	7,564 mil	**Number of Holdings**	320
Morningstar Rating ™	★★★★★	**Fund Manager**	Paolo Bernardelli		
Morningstar Rating ™ referred to 01/31/2024					
Class Unit Inception Date	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.

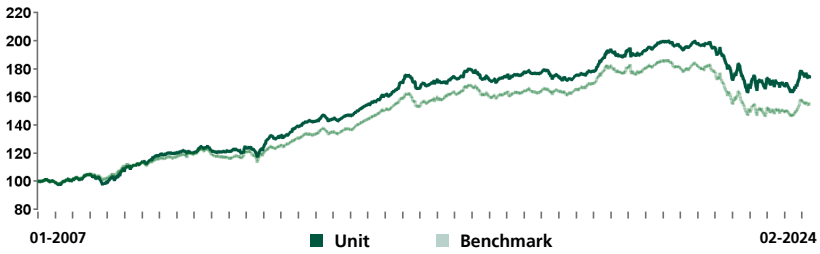
For more information read the Prospectus or Key Information Document (KID).

Benchmark

100% JPM Euro Governement Bond Index

Performance and NAV Evolution*

NAV Evolution since launch



Cumulative and Annualized Performance

	Unit	Benchmark	Unit	Benchmark
	Cumulative		Annualized	
YTD	-2.06%	-1.62%	-	-
1M	-1.53%	-1.15%	-	-
3M	2.20%	1.87%	-	-
1Y	4.43%	5.21%	-	-
3Y	-11.21%	-14.48%	-3.87%	-5.07%
5Y	-0.80%	-6.99%	-0.16%	-1.44%
Since Launch	73.56%	54.43%	3.26%	2.56%

Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
Annualized Volatility Unit	7.99%	8.40%	8.15%	6.86%	5.06%
Annualized Volatility Benchmark	6.83%	6.95%	7.29%	6.45%	4.79%
Tracking Error Volatility	1.31%	1.71%	1.66%	1.62%	1.63%
Sharpe Ratio	0.18	0.16	-0.57	-0.07	0.49
Information Ratio	-0.37	-0.45	0.72	0.79	0.43
Beta	1.16	1.20	1.10	1.04	1.00

Annual Performance (Calendar Year)

	Unit	Benchmark
2023	7.72%	7.00%
2022	-15.65%	-17.94%
2021	-1.85%	-3.54%
2020	5.84%	5.15%
2019	7.39%	6.94%

*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 01/01/2024 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

Lower risk — Higher risk

1	2	**3**	4	5	6	7

The risk indicator assumes you keep the product for 4 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you.

For any further details on investment risks, please refer in particular to the Risks section of the Fund's Prospectus.

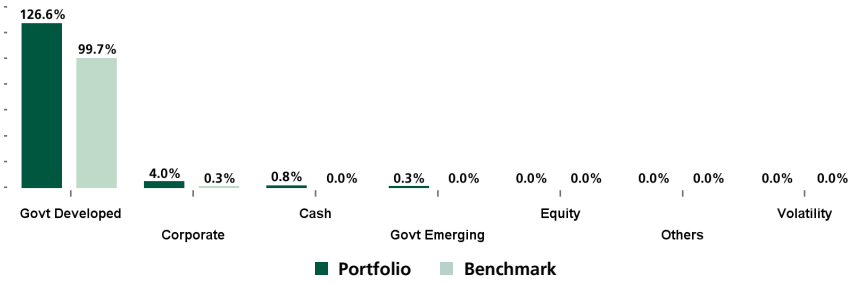
**Informative Material. This communication is intended only for the information of professional investors. It is not intended for retail investors or any US person.
Please read the important information at the end of the document.**

Epsilon Fund - Euro Bond I, EUR Accumulation

Data as of 02/29/2024

Portfolio Information

Asset Breakdown*



*The Corporate asset class may include issues by local agencies or authorities that are equivalent to Corporate instruments issued in terms of creditworthiness. The Developed Governments asset class may include derivative financial instruments on interbank rates.

Sector Allocation

	Portfolio
Treasury	119.03%
Government Related	
Agency	1.61%
Local Authority	0.10%
Supranational	0.02%
Sovereign	0.01%
Corporate	
Industrial	0.02%
Financial Institutions	2.38%
Utility	1.38%
Securitized	-

Derivatives	Weight
Currency	-
Equity	-
Interest rate	32.59%

Top 10 Holdings (excluding cash)

	Weight	Sector	Duration	Rating S&P
FUT Euro-BTP Future M...	10.47%	-	-	-
BKO 2 1/2 03/13/25	8.97%	Government	0.96	AAA
FUT EURO-BOBL FUTURE ...	7.93%	-	-	-
FUT EURO-BUND FUTURE ...	6.95%	-	-	-
FUT EURO-SCHATZ FUT M...	6.02%	-	-	-
DBR 0 02/15/31	4.70%	Government	6.79	AAA
FRTR 0 3/4 11/25/28	4.18%	Government	4.52	AA
BTPS 3.4 04/01/28	4.04%	Government	3.67	BBB
DBR 0 08/15/26	3.99%	Government	2.38	AAA
DBR 2 1/2 08/15/46	3.50%	Government	16.75	AAA

Duration Evolution

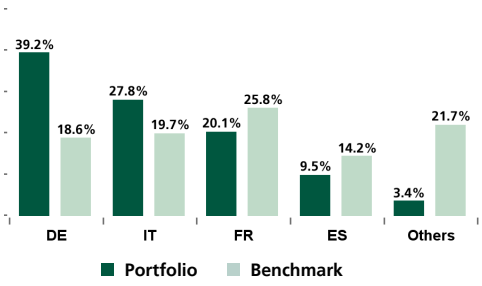
	Portfolio
09-2023	8.24
10-2023	8.25
11-2023	8.39
12-2023	7.90
01-2024	8.71
02-2024	8.34

Portfolio Characteristics

	Portfolio
Weighted Average Coupon	2.75%
Current Yield	2.68%
Average Rating	A
Yield to Worst*	4.08%

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

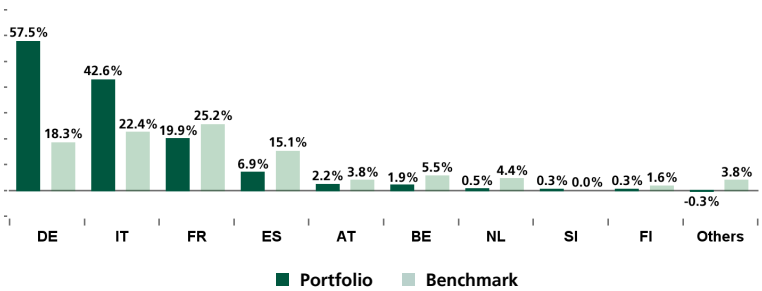
	% Contrib.
0-1	0.31%
1-3	5.31%
3-5	11.26%
5-7	8.18%
7-10	26.89%
>10	48.05%
Total	**100.00%**

Allocation by S&P Rating / Maturity*

	0-1	1-3	3-5	5-7	7-10	>10	Total
AAA	2.86%	19.82%	10.42%	7.18%	8.82%	7.80%	**56.90%**
AA	0.02%	2.90%	5.05%	2.02%	4.23%	9.52%	**23.74%**
A	0.16%	0.39%	0.41%	0.20%	-0.63%	5.93%	**6.47%**
BBB	3.61%	7.15%	7.98%	2.15%	16.79%	6.57%	**44.26%**
BB	-0.08%	-0.10%	-0.01%	0.02%	0.02%	0.09%	**-0.07%**
B	-0.01%	-0.05%	-0.04%	-0.01%	-	0.00%	**-0.11%**
Below B	-0.01%	-0.01%	-0.03%	-0.01%	-	-	**-0.06%**
Total	**6.55%**	**30.10%**	**23.76%**	**11.55%**	**29.23%**	**29.92%**	

*Instruments without ratings are excluded from the calculation.

Geographical Breakdown by Issuer



The sum of the weights represents the total bond exposure, including derivative instruments.

Currency Risk Exposure*

	Portfolio	Benchmark
USD	1.22%	0.00%
JPY	0.98%	0.00%
GBP	0.03%	0.00%

*The figure refers only to classes not covered by exchange rate risk.

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

Informative Material. This communication is intended only for the information of professional investors. It is not intended for retail investors or any US person. Please read the important information at the end of the document.

Epsilon Fund - Euro Bond I, EUR Accumulation

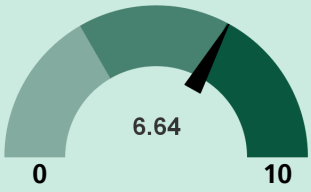
Data as of 02/29/2024

Sustainability characteristics

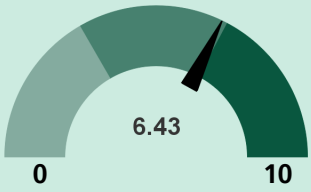
ESG score

The ESG score considers environmental, social and governance factors based on data on the individual issuer provided by MSCI ESG, which are then aggregated according to the underlying securities in the portfolio. The same methodology is also applied to the product benchmark.

ESG score
Epsilon Fund - Euro Bond I



ESG score
Benchmark

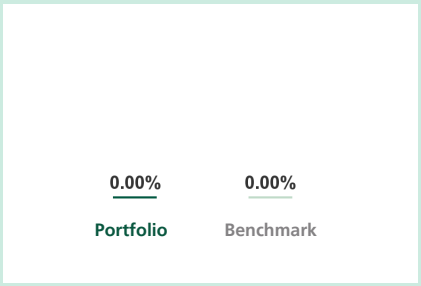


SFDR Category

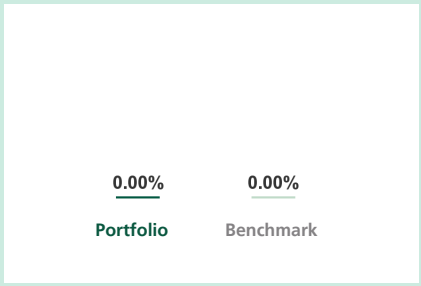
Article 8

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

Percentage of issuers involved in controversial sectors



Percentage of critical issuers



Values other than zero may be due to (i) discontinued issuers, in the best interest of participants and in accordance with current legislation, (ii) issuers for which an engagement activity is in progress or (iii) indirect exposures.

Source: Internal processing of data provided by MSCI ESG Research

Survey period: 12-month rolling average

Appendix

Percentage of issuers involved in controversial sectors

Issuers operating in sectors deemed controversial (not "socially responsible"), to which restrictions or exclusions apply with respect to the entirety of the individual assets under management, are companies (i) that have a clear direct involvement in the manufacture of unconventional weapons; (ii) at least 25% of whose turnover is generated from thermal coal mining or power generation activities; (iii) at least 10% of whose turnover is generated from the exploitation of oil sands.
More specifically, unconventional weapons are understood as: anti-personnel mines; cluster bombs; nuclear weapons*; impoverished uranium; biological weapons; chemical weapons; stealth cluster bombs; blinding lasers; incendiary weapons; white phosphorus.
These provisions do not apply to the activities permitted by the following treaties and/or conventions:
- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; the Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster bombs;
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons;
- The Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons;
- Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons;
These exclusions are also intended to comply with the requirements established by Law no. 220 of 9 December 2021 on measures to counter the financing of companies producing antipersonnel mines, cluster bombs and submunitions.
*With regard to exclusions on nuclear weapons, issuers based in states that have adhered to the "Nuclear Non-Proliferation Treaty" stipulated on 1 July 1968 are not considered.

Percentage of critical issuers

"Critical" issuers are those companies having a higher exposure to environmental, social and corporate governance risks, i.e. which have a lower ESG sustainability rating level (equal to "CCC" assigned by the specialized info-provider) in the equity and bond investment category and for which an escalation process has been activated, or is being assessed, which determines restrictions and/or exclusions with respect to the entirety of the individual assets under management ("ESG Binding screening").

Percentage of issuers selected on the basis of positive and negative criteria

The weighting of issuers that comply with the specific positive and negative selection criteria identified by the Product, i.e. (i) issuers of green/sustainable bonds and (ii) companies publicly engaged in the energy transition process, particularly through the progressive reduction in Scope 1 and Scope 2 emissions to reach climate neutrality by 2050 ("Net Zero" goal).

Percentage of assets in government issuers meeting the screening criteria

The weight of government issuers that meet the selection criteria defined on the basis of the indicators of the "Sustainable Development Report" and Regulation (EU) 2019/2088 to monitor the principal adverse impacts relating to government issuers.

Percentage of assets in ESG or sustainable investment type UCIs

This is understood as assets of UCITS that promote environmental and/or social characteristics pursuant to Article 8 of Regulation 2019/2088 or which pursue sustainable investment objectives pursuant to Article 9 of said Regulation.

Carbon footprint

The value represents tonnes of carbon dioxide (direct - Scope 1 and indirect - Scope 2) of the investee companies in relation to their turnover.

Sustainable investment

Weighting (i) of issuers with net positive alignment with at least 1 of the United Nations' 17 Sustainable Development Goals (SDG) and no misalignment with any of the SDGs and (ii) of green, social and sustainability bonds.

Informative Material. This communication is intended only for the information of professional investors. It is not intended for retail investors or any US person.
Please read the important information at the end of the document.

Epsilon Fund - Euro Bond I, EUR Accumulation

Data as of 02/29/2024

Investment Manager Commentary

Market Development

In February, economic data from the developed world continued to show solid growth, while consumer price inflation, while still on a downward path, showed some signs of picking up. As a result, investors revised their expectations for interest rate cuts in the near future, although the money market is still pricing in cuts for the end of the year. Global government bond yields recovered somewhat, while riskier bond asset classes and the spread between Italian and German bonds continued to narrow.

Performance and Investment Choices

The Fund dynamically managed duration exposure during the period and ended the month around 1.25 years above the benchmark.
The overweight was maintained, mainly in German and Italian government bonds, with a preference for the middle of the European curve.
It continued to favour an allocation towards "green" Investment Grade corporate bonds over semi-core European government bonds as a means of diversifying and improving the risk/return ratio and the ESG score. The Fund continued to show a relative preference for French and Italian government bonds.
Positions in Belgium, Portugal and the Netherlands remained underweight relative to the benchmark, while the underweight in Spanish government bonds was reduced.
Over the period, the Fund repositioned itself into green investment grade corporate bonds.
The Fund maintained a short position on the Japanese 10-year bond via derivatives.
In terms of currencies, the Fund continues to hold a marginally long position in the US dollar and Japanese yen as part of its hedging and diversification strategy.
The Fund underperformed both in absolute terms and against its benchmark. Long duration exposure made a negative contribution.

Outlook and Investment Strategy

In the coming months, the market will remain largely focused on future monetary policy moves and the auction cycle typical of the early part of the year.
Rising interest rates in Europe continue to weigh on economic growth, particularly in the real estate and manufacturing sectors, leading to a decline in aggregate demand. In addition, the credit conditions offered by the banking system to households and companies, although improving, are still restrictive.
All this will have an impact on economic growth, much of which is already happening. The Fund will continue to capitalise on and monitor market conditions, actively intervening to adjust the mix of investments.

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

Legal Status	Fonds Commun de Placement (FCP)/UCITS
Home jurisdiction of the Fund	Luxemburg
ISIN Code	LU0278427041
Class Unit Inception Date	01/08/2007
Valuation	Daily
Bloomberg Code	EURZEUB LX
Entry costs	-
Exit costs	-
Management fees and other administrative or operating costs	0.39% (of which management commission constitutes 0.25%)
Transaction costs	0.03%
Performance fees	The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund''s benchmark. The actual amount will vary depending on how well your investment performs.
Minimum amount	3,000,000 EUR
Taxes	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.
Management Company	Eurizon Capital S.A.
Investment Manager of the Sub-Fund	Eurizon Capital SGR S.p.A.
Category	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.

Informative Material. This communication is intended only for the information of professional investors. It is not intended for retail investors or any US person.
Please read the important information at the end of the document.

Epsilon Fund - Euro Bond I, EUR Accumulation

Data as of 02/29/2024

Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website www.eurizoncapital.com. These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request.
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.
The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.
All information contained herein is accurate as at the date of publication and are subject to change.
The Management Company cannot accept any responsibilities for the inappropriate use of the information contained in this information material.

U.S. Person: The Funds and its Sub-fund are not registered under United States federal securities laws or any other applicable law in the states, territories and possessions of the United States of America. Consequently, they cannot not be marketed directly or indirectly in the United States (including its territories and possessions) and to or for the benefit of residents and citizens of the United States of America and the "U.S. Persons". This document is not intended for use by residents or citizens of the United States of America and U.S. Persons pursuant to Regulation S of the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended (https://www.sec.gov/rules/final/33-7505a.htm).

IMPORTANT INFORMATION

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 Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

Morningstar Rating based on the Unit of this document. For more details about the methodology, please refer to the Glossary as well as the following link: https://www.morningstar.com/content/dam/marketing/shared/ research/methodology/771945_Morningstar_Rating_for_Funds_Methodology.pdf. MorningThe Morningstar rating is a quantitative assessment of past performance that takes into account risk and costs imputed. It does not take into account qualitative elements and is calculated on the basis of a (mathematical) formula. The classes are categorized and compared with similar UCITS classes, based on their score and they receive one to five stars. In each category, the top 10% receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5%. 2 stars, and the last 10% receive 1 star. The rating is calculated monthly on the basis of historical performance over 3, 5 and 10 years and does not take into account the future.

MORNINGSTAR is an independent provider of investment analysis. © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely.
Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Morningstar Rating past performance is no guarantee of future results. For more detailed information about Morningstar Rating, including its methodology, please go to: https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB. "FTSE® ", "Russell® ", "FTSE Russell® ", "MTS®", "FTSE4Good®, , "ICB®", "Mergent®", "The Yield Book®" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

MSCI: The information obtained from MSCI included in this marketing document may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information and that of other data providers is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling or creating any MSCI information (collectively, the "MSCI Parties") and other data providers, expressly disclaim all warranties (including, without limitation any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party or other data provider have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

S&P: The S&P 500 index is a product of S&P Dow Jones Indices LLC and has been licensed to FIL Fund Management (Ireland) Limited (''FIL''). The Sub-Fund is not sponsored, endorsed, sold, or promoted by S&P Dow Jones Indices LLC or its affiliates and neither S&P Dow Jones Indices LLC, its affiliates, or their respective third party licensors make any representation regarding the advisability of investing in such product. S&P 500® is a registered trademark of Standard & Poor's Financial Services LLC and has been licensed to FIL. For more information on the Index, please refer to the publically available information on the index provider's website at http://us.spindices.com/indices/equity/sp-500.

Contacts

Eurizon Capital S.A.
Siège social: 28, boulevard Kockelscheuer - L-1821 Luxembourg P.O. 2062 - L-1020 Luxembourg P +352 49 49 30.1 - Fax +352 49 49 30.349
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.
Società appartenente al Gruppo Bancario Intesa Sanpaolo, iscritto all'Albo dei Gruppi Bancari. Socio Unico: Eurizon Capital SGR S.p.A.