

Investment Committee

September 2020

MARKET PERFORMANCES

- Markets closed mixed the month of August, with US markets and EM closing negative while European in positive territory
- **Government Bonds** had a positive performance along with corporates, while riskier bonds like high yield and convertibles closed negative in August, showing a risk-off sentiment
- Regarding currencies, **USD appreciated** against its peers, especially GBP. Safe haven like JPY and CHF depreciated
- **Gold retraced**, as investors were more confident in the global economy recovery and sustains from major Central Banks and governments. **Copper soared**, signaling global demand is rebounding
- Regarding specific investment themes, they all reported negative performances. On a YTD basis, Solar Energy is still +80%



PERFORMANCE ANALYSIS

- In August performances have been **positive** on FIA's portfolios thanks to a **positive selection** and **asset allocation** effect
- Top contributors have been **equities** once again, especially **thematic investments** (Solar Sector and Circular Economy) **and EM** (China)
- The fixed income segment **reported gains** as well, with convertibles leading the group
- On average, FIA's managed portfolios **beat the Morningstar peer group**
- Furthermore, the downside risk of FIA's portfolios remains **way below** that of benchmark and the max drawdown length is **considerably shorter**

YTD TO: 8/31/2020

MTD TO: 8/31/2020

FIA A.M. GreenEthica

GreenEthica		
	YTD	MTD
Defensive	-1.20%	0.08%
Cons Plus	-2.74%	0.03%
Balanced	2.44%	2.37%
Aggressive	1.12%	3.72%
Abs Ret	-1.07%	0.73%
Flexible	0.65%	2.75%
Bal SRI	2.50%	2.57%
Best of SRI	4.24%	2.21%

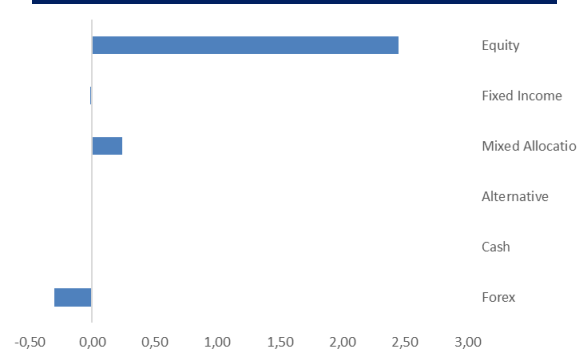
Passive BMK		
	YTD	MTD
Defensive	2.55%	-0.25%
Cons Plus	2.78%	0.45%
Balanced	2.45%	2.02%
Aggressive	2.30%	4.56%
Abs Ret	-2.80%	0.58%
Flexible	2.24%	2.45%
Balanced	2.45%	2.02%
Balanced	2.45%	2.02%

Morningstar peer group		
	YTD	MTD
Global Flexible Bond	-2.65%	0.03%
Cautious Allocation Global	-1.43%	0.83%
Moderate Allocation Global	-2.16%	1.91%
Aggressive Allocation Global	-2.40%	3.16%
N.A.	N.A.	N.A.
Flexible Allocation Global	-2.96%	2.10%
Moderate Allocation Global	-2.16%	1.91%
Moderate Allocation Global	-2.16%	1.91%

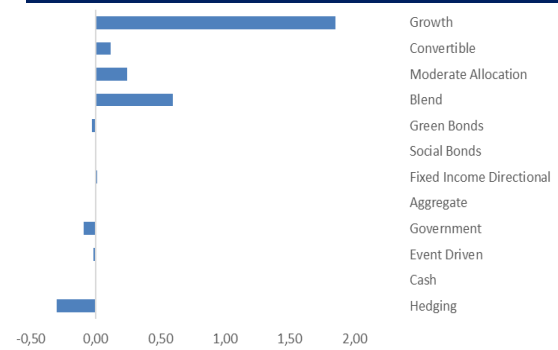
Delta with pass. BMK		
	YTD	MTD
	-3.74%	0.33%
	-5.52%	-0.43%
	-0.01%	0.35%
	-1.17%	-0.83%
	1.73%	0.15%
	-1.59%	0.30%
	0.06%	0.55%
	1.79%	0.19%

Delta with MS peer group		
	YTD	MTD
	1.46%	0.05%
	-1.30%	-0.80%
	4.60%	0.46%
	3.52%	0.57%
	N.A.	N.A.
	3.61%	0.65%
	4.66%	0.66%
	6.40%	0.29%

Asset Class Contribution (%)

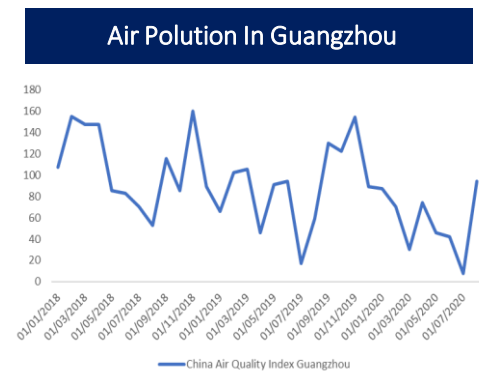
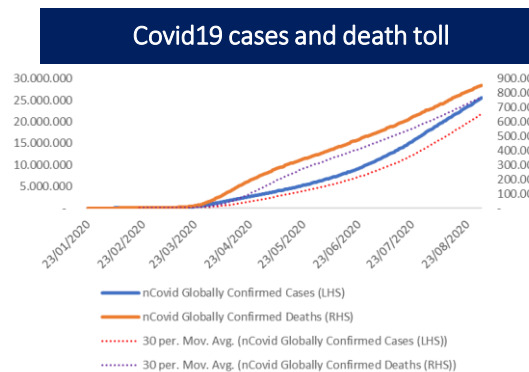
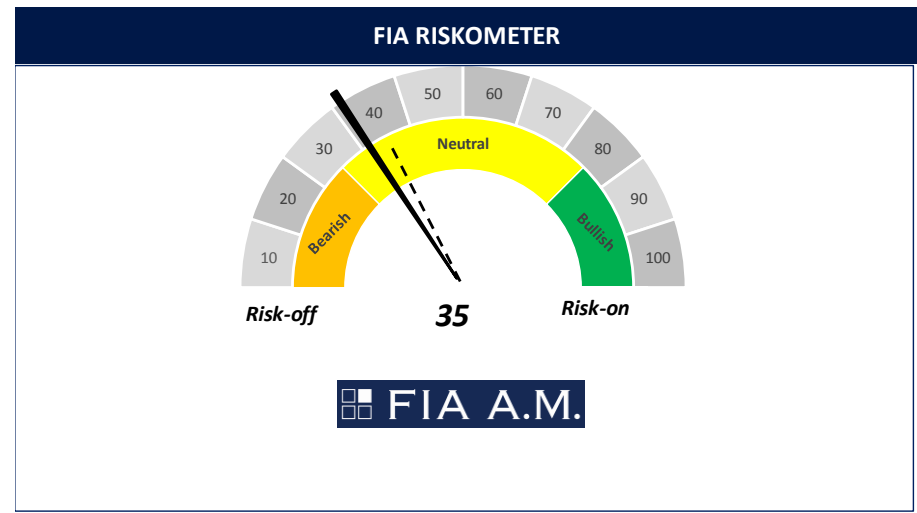


Strategy Contribution (%)



MACROECONOMIC ANALYSIS

- The outbreak of Coronavirus will likely have a **huge impact on 2020 growth**, and probabilities of a global recession are almost certain. Unemployment in the U.S. improved, with **NFP rebounding**
- Cases around the world are rising again and the risk of **another round of lock-down** threatens global economy. Global confirmed cases topped **25 millions**, while deaths reached more than 850 K
- Traditional economic indicators are **rebounding** from previous months lows, but weakness may linger well into 2021-2022
- Central Banks are **pumping liquidity into the system** to sustain the economy, making equities the favored asset class for investors bracing for yields
- Considering the **high level of uncertainty** and the fact that prices seem to be quite stretched currently, FIA Investment Committee decided to reduce its overall risk level to **35%**



Market
Performances

Performances
analysis

Macroeconomic
analysis

Asset
allocation

ASSET ALLOCATION

- Considering catalyst events occurred in August, FIA Investment Team reviewed its asset allocation according to the risk level set
- It decided to partially take profit from **equity strategies** that brought the biggest performances and to reallocate the cash generated in its hedged strategy. It also **downgraded** its view on **convertible** that are more riskier and equity like, in order to increase **government bonds** and **money market**
- Furthermore, the Team is convinced that USD will undergo further stress over the coming months
- The rest of the allocation remains unchanged

Asset Class		Positioning							
		Change	Underweight		Neutral		Overweight		
CASH	Money Market	↑	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FIXED INCOME	Govies	Safe Havens	↑	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Peripherals & EM		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Inf. Linked		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Credit	Investment Grade		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		High Yield		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Green Bonds		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EM			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Convertibles		↓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ABS		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
EQUITIES	Developed	U.S.		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Europe		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		U.K.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Japan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Developing	China		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Asian EM (ex-China)		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		LatAm		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Frontier Markets		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
FOREX	USD		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	EUR		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	GBP		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	JPY		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	CHF		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	CNY		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
REAL ASSETS	Gold		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Crude Oil		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Real Estate		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
LIQUID ALTERNATIVES	Bonds		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Equities		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	