Unit Link Products Monthly Report

2021-01

Category

1. Macro economy
2. Stock market
3. Fixed income market
4. Mutual fund market

中意人寿
GENERALI CHINA

1.Macroeconomic

Overseas economy：

The speed of recovery of economies continued to slow down in U.S. The Eurozone inflation figures beat expectations. The number of non-farm payrolls growth got a reading of 4.9 million in January, which was less than previous month and expectation. The unemployment rate continued to drop to 6.3% in January, which was improved gradually in recent months. The ISM manufacturing PMI dropped to 58.7, which was below expectation of 60 and the previous value of 60.7. However, it still indicated the industrial production was in a tendency of expansion. The US CPI growth in January rose by 1.4% YOY, which was equal to the previous value. The Eurozone Manufacturing PMI dropped to 54.8 in January. The CPI growth increased to 0.9% YoY in January, and core CPI growth was 1.4%, which was significantly exceeded the previous month and expectation. The Eurozone inflation data in this month showed positive signs of recovery.

Domestic economy：

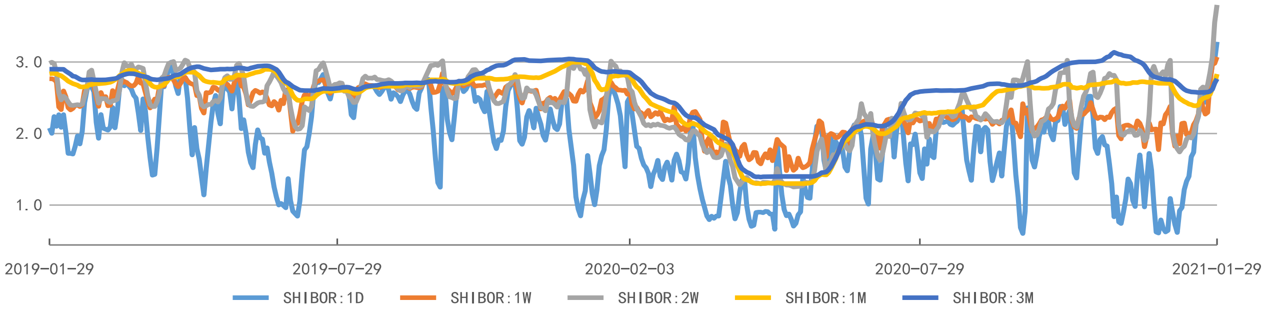
The economy continued to recover in January. The manufacturing PMI in January was 52.1. Though it had a negative change compared to last month, the index still showed our economy was in an expansionary state for 11 consecutive months. The CPI fell by 0.3% YOY in January. Food prices growth increased by 1.6% YOY, while non-food prices growth dropped by 0.8% YoY. The PPI growth increased by 0.3% YOY and 1.0% MOM. In January, the scale of new social financing was 3.58 trillion yuan, and the growth rate fell slightly to 13.0%. The speed of credit expansion shows a trend of slowdown.

2.Stock Market

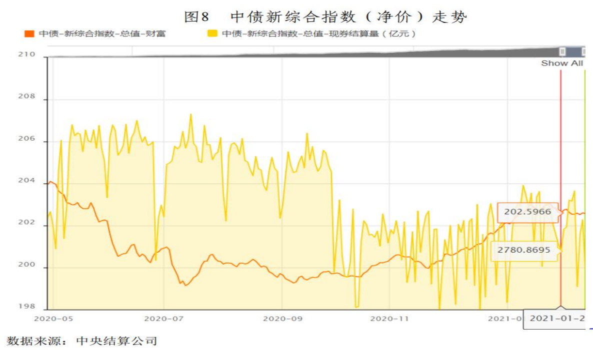
In January of 2021, by the end of the month, Shanghai Composite Index change 0.29%. Shenzhen Composite change 2.43% and GEM stocks change by -0.44%.

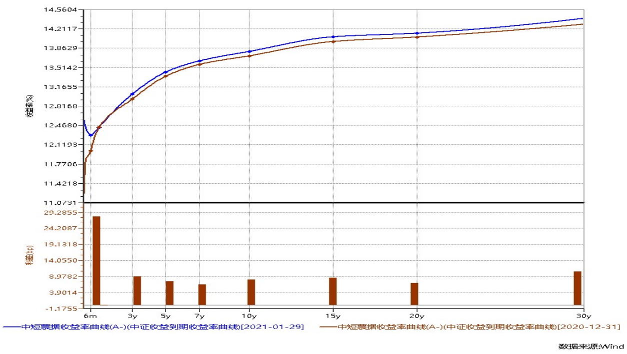
Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	0.29	663962.35	9659809.45	17.41
SZ stocks	2.43	795796.88	12149098.09	39.62
HS300	2.70	413462.55	9081338.03	15.08
GEM stocks	-0.44	204274.34	4209477.65	58.87

3.Fixed-income market



Data Source: Wind





Bond issuance increased YOY in January 2021

In January, 1697 new bonds were issued with a total amount of 3.25 trillion yuan, which increased by 39.18% YOY. Among which the China Central Depository & Clearing Co., Ltd issued 293 new bonds, with a total amount of 1.72 trillion, accounting for 53.10% of the total. The Shanghai Clearing House issued 650 new bonds, with a total amount of 0.96 trillion, accounting for 29.60% of the total; the Exchange issued 754 new bonds, with a total amount of 0.56 trillion and accounting for 17.30% of the total.

Money market rates rose sharply in January 2021

In January, money market rates rose sharply. Specifically, the 1D repo rose by 117BP to 2.2987% compared with last month, and the average daily trading volume was 2.68 trillion, dropped by 11.62% MoM. The 7D repo rose 39BP to 2.8040% MoM, and the average daily trading volume was 0.23 billion, dropped by 4.04% MoM.

Bond settlement increased YOY in January 2021

In January, the trading volume of the bond market was 128.84 trillion, increased by 35.94% YOY. The volume in China Central Depository & Clearing Co., Ltd. was 77.50 trillion, rose by 34.85% YOY, accounting for 60.15% of the total. The volume in Shanghai Clearing House was 24.23 trillion, increased by 27.29% YOY, accounting for 18.80% of the total; The volume in the Exchange was 27.12 trillion, increased by 48.38% YOY, accounting for 21.05% of the total.

4. Mutual Fund Market

Close-ended funds:

In January, close-ended funds changed 3.93% on average. From the beginning of this year, close-ended funds changed 3.93% on average.

Open-ended funds:

In January, hybrid funds, equity funds, index funds changed by 2.57、2.10%、1.12%; respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed 2.57、2.10%、1.12%; ，respectively.

Bond funds:

In January, bond funds changed 0.03% on average. From the beginning of this year, the figure is 0.03%.

Generali China - Unit Linked Growth

中意人寿 GENERALI CHINA

Fund Description

Fund Name	Growth
Launch Date	2004/09/30
Currency	RMB
Management Fee	1.50% per year
Latest Price(2021/01/29)	
Price	4.7721

Investment Objective

The objective is to maximize return in the medium-long run with a medium to high risk level.

Investment Scope

This fund mainly invest in equities as open-end, close-end mutual fund, fixed income securities (government, financial and corporate bond and central bank notes, etc.) and other instruments approved by CIRC.

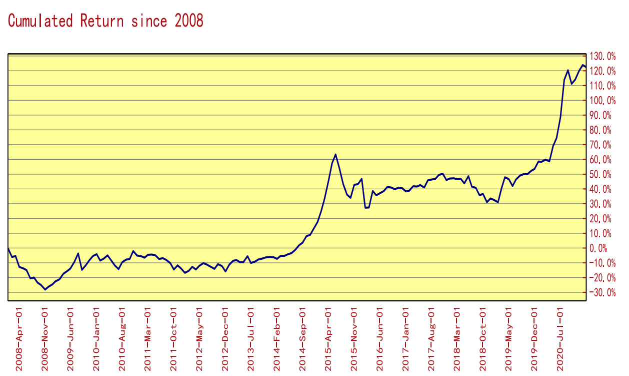
Target Clients

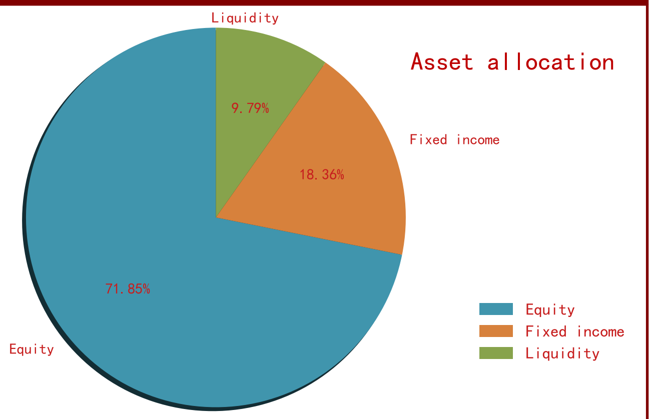
This account is a medium aggressive account. This fund may be quite volatile and it is only suitable for long-term investors.

Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	-0.62%	3.96%	40.55%	-0.62%	363.57%
Shanghai T-bond Index	0.33%	0.76%	3.50%	0.33%	-
Shanghai & Shenzhen 300 Index	2.70%	13.98%	33.67%	2.70%	-

Performance Chart and Allocation





Market & Portfolio Comments

Portfolio review and outlook:

EQ: In January, due to mutual funds overissuing, the market became dramatic divergence. New energy, consumption, and cyclical sectors were pursued by fund managers. Although the epidemic spread went worse, more and more people began to get vaccinated. We believed that the market was still in an upward trend, although the liquidity became a little tighter. We keep a positive view on the market for the next few months, more focusing on cyclical sectors which were benefited by COVID-19 easing. FI: In January, the liquidity shock caused by credit default event had been mitigated, but the bond market still suffered from liquidity tightening factor due to Spring Festival effect. The bond yield curve became upward flattened. Meanwhile, equity market was also hit by widened liquidity premium, and the differentiation among industries varied in a large extent. By the end of January, we believe the macro fundamentals present a marginally weakening trend, with a tightened liquidity environment. And there is no obvious absolute or relative pricing advantage on any of the assets. Therefore, it is expected to keep a short duration strategy for fixed income asset, while appropriately reduce equity asset exposure to decrease price volatility.

Generali China - Unit Linked Growth

中意人寿 GENERALI CHINA

Fund Description

Fund Name	Stable
Launch Date	2004/09/30
Currency	RMB
Management Fee	1.25% per year
Latest Price(2021/01/29)	
Price	2.3766

Investment Objective

Achieving the best match of stable investment return and good assets liquidity with a low risk level in the medium-long run.

Investment Scope

The investments focus on fixed income products and money market funds. A small percentage may be invested in equity exposed instruments as mutual funds. Other CIRC approved instruments investment is allowed.

Target Clients

This is a conservative account, suitable for clients with a low risk bearing ability and stable investment return needs.

Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	0.10%	-0.96%	3.26%	0.10%	130.88%
Shanghai T-bond Index	0.33%	0.76%	3.50%	0.33%	-
Shanghai & Shenzhen 300 Index	2.70%	13.98%	33.67%	2.70%	-

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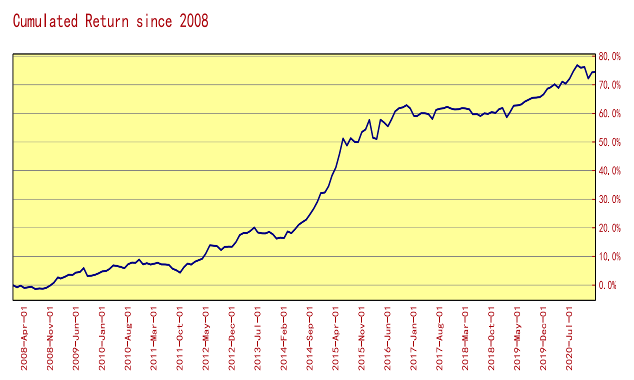

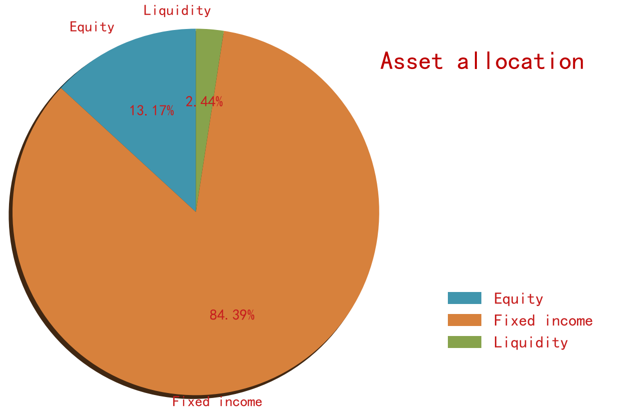

Market & Portfolio Comments

Portfolio review and outlook:

EQ: In January, despite the turmoil of the epidemic, the domestic and international economies are still recovering, and the policy will not change rapidly. Therefore, although liquidity has shrunk, it is still relatively abundant, and the overall market yields are better. Looking ahead to the first quarter, the overall market will still be dominated by structural opportunities, but market volatility will increase; we are still optimistic about auto parts that have restructured the competitive landscape, military industry, and emerging consumer industries where the industry's prosperity continues to improve; and we are optimistic about engineer dividends. We are also optimistic about high-end manufacturing and innovative drugs and their industrial chains, and cyclical leaders benefiting from economic recovery. We will reduce holdings in the electronics industry where the main line of growth is unclear.
FI: In January, the liquidity shock caused by credit default event had been mitigated, but the bond market still suffered from liquidity tightening factor due to Spring Festival effect. The bond yield curve became upward flattened. Meanwhile, equity market was also hit by widened liquidity premium, and the differentiation among industries varied in a large extent. By the end of January, we believe the macro fundamentals present a marginally weakening trend, with a tightened liquidity environment. And there is no obvious absolute or relative pricing advantage on any of the assets. Therefore, it is expected to keep a short duration strategy for fixed income asset, while appropriately reduce equity asset exposure to decrease price volatility.