

# Unit Link Products Monthly Report

2021-06

## Category

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



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## 1. Macroeconomic

### Overseas economy :

The American government continued to stimulate the economy. The number of unemployment compensation application was maintained over 3 million while the unemployment rate fluctuated between 5.8%-6.3% in the first half of 2021, which was still worse than the level before the pandemic happens. The CPI annual rate was increased from 1.4% to 5.4% over the last 6 months while the PPI annual rate increased from 1.7% to 7.3% because of the surge of raw material. The ISM US manufacturing PMI dropped from 61.2 to 60.6 and non-manufacturing PMI dropped from 64 to 60.1, which were both lower than expectations. As for European economy, because of the pandemic and resumed lockdown policy, GDP growth slowed down over the last 2 quarters compare with the previous period, and the unemployment rate was maintained at 8%. The level of inflation remained at low level over the last 6 months. Although adjusted CPI rose from 1.4% to 2.0%, core CPI declined from 1.4% to 0.9%. The ECB decided to remain the policies and interest rate unchanged, and ensured that the scale of PEPP will be expanded to 1.85 trillion euros.

### Domestic economy :

The domestic macro economy kept growing steadily in June. The manufacturing PMI index was 50.9%, decreased by 0.1% from the previous month. The PMI of service industry was 53.5%, decreased 1.7% from the previous month. In June, the CPI rose by 1.1% YoY while fell by 0.4% MoM. PPI rose by 0.3% MoM and 8.8% YoY. In June, the social financing scale rose by 8.6% YoY, and the growth rate dropped by 0.6% compared with the last month. The currency supply was still sufficient, while the proportion of the medium-term and long-term loans declined.

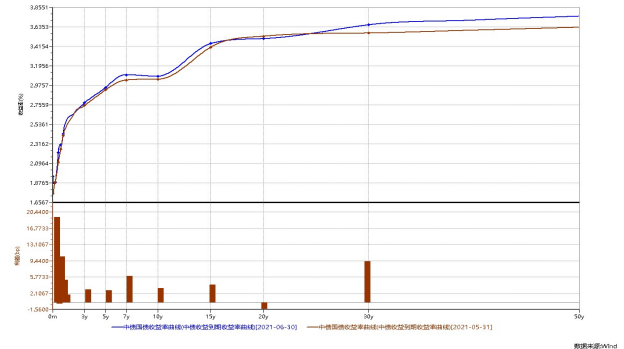
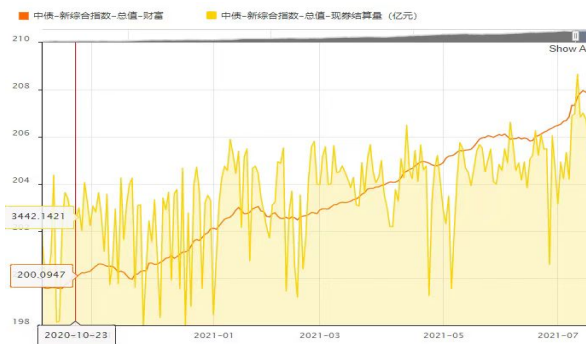
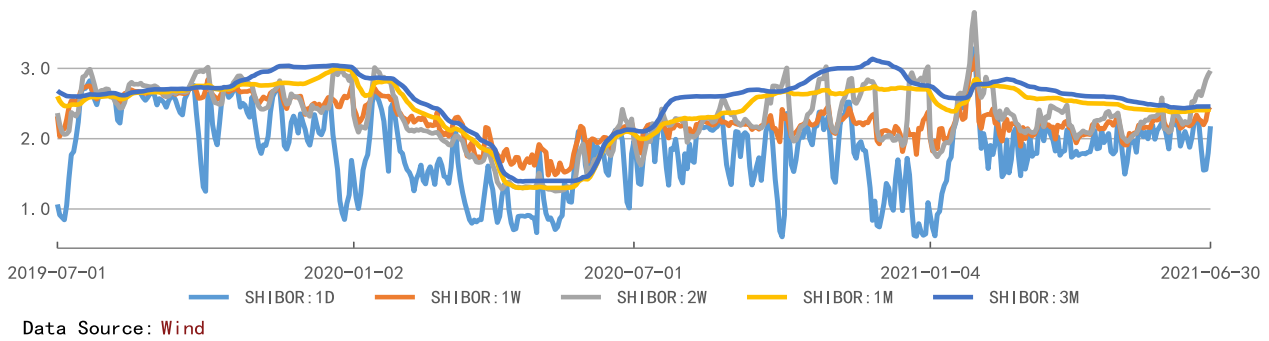
## 2. Stock Market

In June of 2021, by the end of the month, Shanghai Composite Index change -0.67%. Shenzhen Composite change 1.10% and GEM stocks change by 7.64%.

Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	-0.67	668364.52	9302425.17	15.66
SZ stocks	1.10	828128.79	11548419.46	29.90
HS300	-2.02	284792.06	6587944.56	10.32
GEM stocks	7.64	261062.05	4556383.70	71.00



### 3.Fixed-income market



#### Bond issuance decreased in the first half of 2021

In the first half of 2021, new bonds were issued with a total amount of 18.23 trillion yuan, which decreased by 2.99% YOY. Among which the China Central Depository & Clearing Co., Ltd issued new bonds with a total amount of 10.50 trillion, accounting for 57.63% of the total. The Shanghai Clearing House issued new bonds with a total amount of 4.98 trillion, accounting for 27.34% of the total; the Exchange issued new bonds, with a total amount of 2.74 trillion and accounting for 15.03% of the total.

#### Money market rates rose in the first half of 2021

In the first half of 2021, money market rates first fell then rose. Specifically, the 1D repo dropped by 52BP to 2.3701% YOY, the 7D repo rose by 33BP to 2.3701% YOY. Until the end of June, the 1D repo and 7D repo were rose 296BP and 121BP respectively compare with the begin of the year.

#### Bond settlement increased YOY in the first half of 2021

In the first half of 2021, the trading volume of the bond market was 754.33 trillion, increased by 1.43% YOY. The volume in China Central Depository & Clearing Co., Ltd. was 464.47 trillion, rose by 1.01% YOY, accounting for 61.57% of the total. The volume in Shanghai Clearing House was 129.45 trillion, fell by 1.51% YOY, accounting for 17.16% of the total. The volume in the Exchange was 160.41 trillion, increased by 22.22% YOY, accounting for 21.27% of the total.



## 4. Mutual Fund Market

### Close-ended funds:

In June, close-ended funds changed 3.89% on average. From the beginning of this year, close-ended funds changed 7.87% on average.

### Open-ended funds:

In June, hybrid funds, equity funds, index funds changed by 2.12%、 1.95%、 1.17%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by 6.43%、 7.41%、 6.03% , respectively.

### Bond funds:

In June, bond funds changed 0.23% on average. From the beginning of this year, the figure is 1.79%.

# Generali China - Unit Linked Growth



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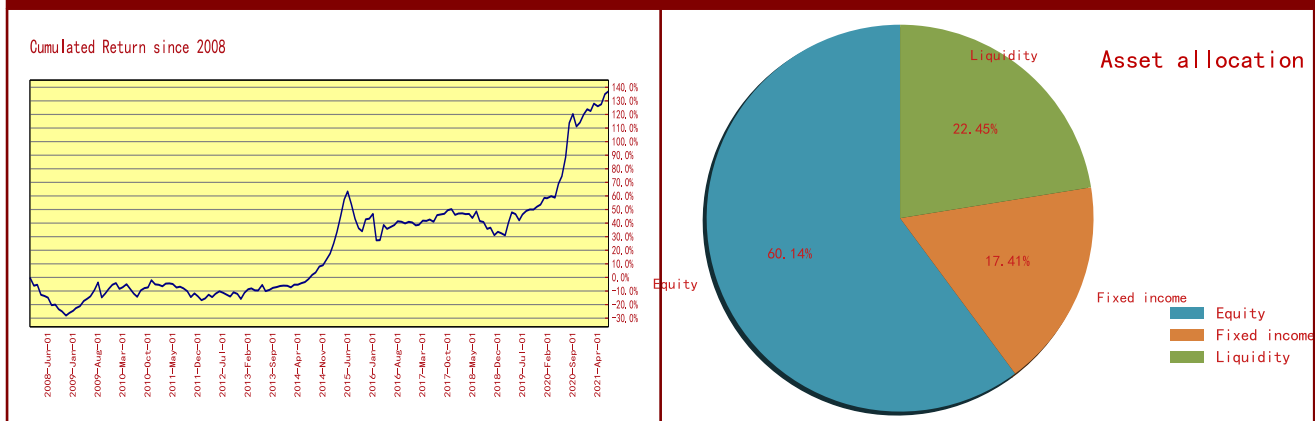
## Fund Description

Fund Name	Growth	Investment Objective
Launch Date	2004/09/30	The objective is to maximize return in the medium-long run with a medium to high risk level.
Currency	RMB	Investment Scope
Management Fee	1.50% per year	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.
Latest Price(2021/06/30)		Target Clients
Price	5.0838	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	0.88%	4.87%	25.71%	5.88%	393.86%
Shanghai T-bond Index	0.13%	0.86%	2.43%	1.68%	-
Shanghai & Shenzhen 300 Index	-2.02%	3.48%	25.46%	0.24%	-

## Performance Chart and Allocation



## Market & Portfolio Comments

### Portfolio review and outlook:

EQ: In June, there were more cases confirmed all around the world. Speed of vaccination was slowing down. The market was still in the logic of monetary releasing. New energy sector led the market due to their solid fundamental. We believed that inflation would come as the economy recovered, which was unfriendly to high value assets. For the coming future, developed economies would recovery due to high vaccination rate, but domestic economy may face a slowdown. 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 and oversea economic recovery. FI: Money market tightened around end of H1, risk free rate raised, as portfolio leverage level remains low, in June increased allocation to interest rate products by 8.69%, credit product by 26.08%, and convertible bond by 3.69%. Overall economy is still performing relatively well, thus the supply of local government bond remains low, liquidity remains ample. FI investment continues to employ a high leverage strategy.

Jun 2021

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## Fund Description

Fund Name	Stable	Investment Objective
Launch Date	2004/09/30	
Currency	RMB	Investment Scope
Management Fee	1.25% per year	
Latest Price(2021/06/30)		Target Clients
Price	2.4163	

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

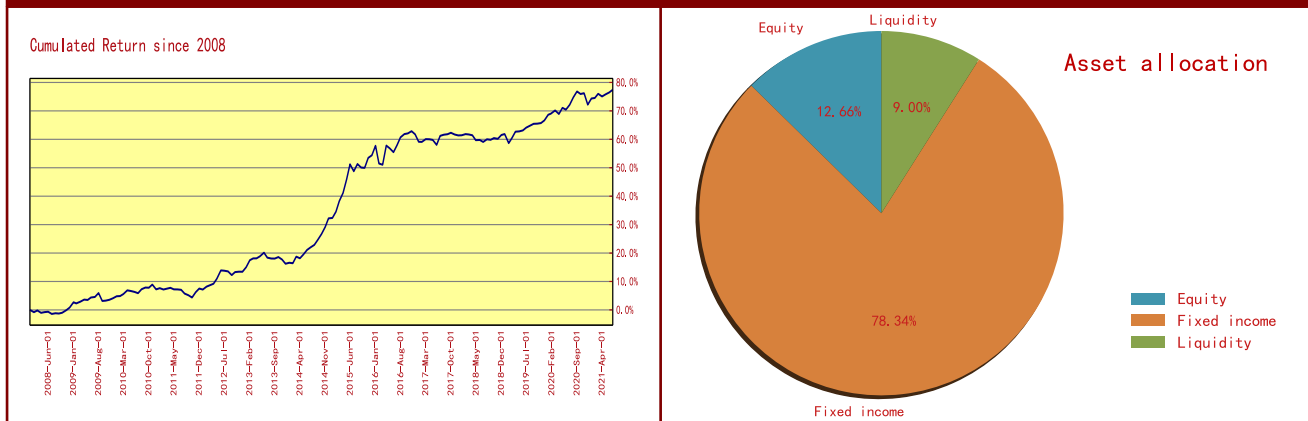
The investments focus on fixed income products and money market funds. A small percentage may be invested in equity exposed instruments as mutual funds. Other CIRC approved instruments investment is allowed.

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	0.55%	1.37%	3.09%	1.78%	134.73%
Shanghai T-bond Index	0.13%	0.86%	2.43%	1.68%	-
Shanghai & Shenzhen 300 Index	-2.02%	3.48%	25.46%	0.24%	-

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