

Unit Link Products Monthly Report

2021-07

Category

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



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1. Macroeconomic

Overseas economy :

The number of non-farm payrolls growth was 943 thousand in July which was higher than expectation. The unemployment rate was dropped from 5.7% to 5.4%. The ISM manufacturing PMI fell to 59.5 in July, but still indicated high growth. The US CPI in July was 5.4% YOY, and the core CPI rose to 4.3% YOY. The increase of price for industrial material had gradually affected consumer's price level. The Eurozone Manufacturing PMI was 62.8% in July, which demonstrated a fast recovery. The CPI for eurozone in July rose to 2.2% YOY, and the core CPI fell to 0.7% YOY. Inflation in the eurozone was still limited.

Domestic economy :

The economy growth slowed down in July. For the production side, industrial added value in July increased by 6.4% YOY, dropped from June. For the demand side: The total FAI growth from January to July was 10.3% YOY, which fell by 2.3% compared to the past six months. For the components of FAI, the manufacturing investment growth was 17.3% YOY, which fell by 1.9%, but remained in a high level. Infrastructure investment growth was 4.19% YOY, and it fell 3% compared to previous month. The real estate investment growth dropped 2.2% to 12.5% YOY. In July, the total retail sales of consumer goods growth declined from 23% to 20.7% YOY. The CPI growth rate was 1.0% YOY in July, which dropped 0.1% from last month, and PPI growth rate rose to 9.0% YOY, which was a high level in recent years. In July, the scale of new social financing was 1.06 trillion RMB, a decrease of around 6500 billion over the July of last year.

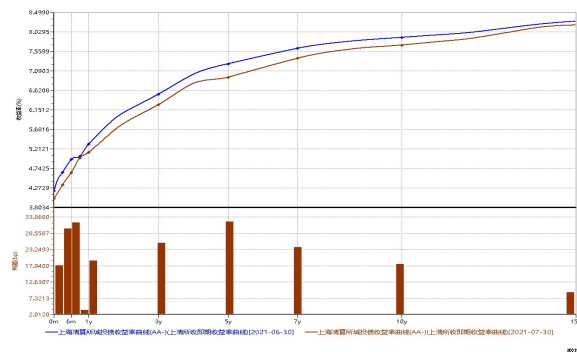
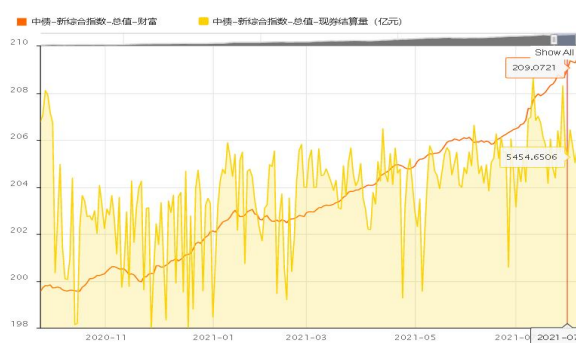
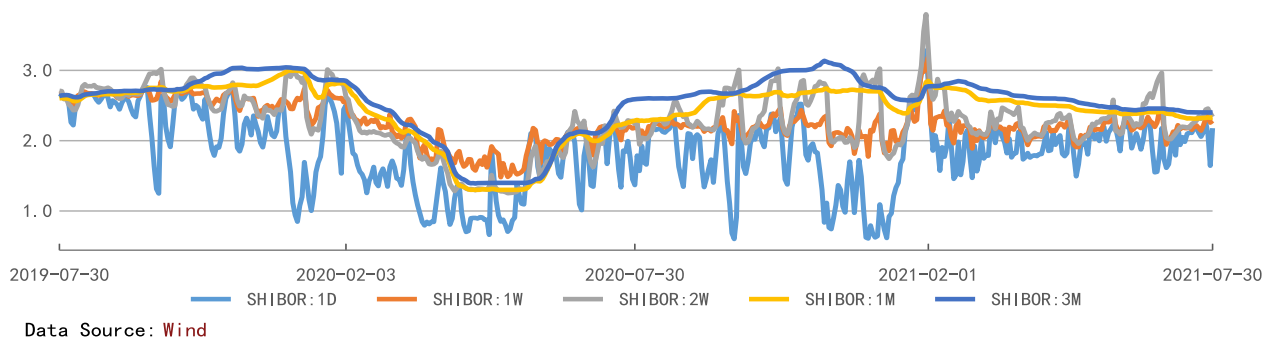
2. Stock Market

In July of 2021, by the end of the month, Shanghai Composite Index change -5.40%. Shenzhen Composite change -4.54% and GEM stocks change by 1.74%.

Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	-5.40	790394.91	11542100.46	19.05
SZ stocks	-4.54	982409.58	14878254.23	37.16
HS300	-7.90	379033.62	8498848.08	13.82
GEM stocks	1.74	327461.37	6192608.09	87.40



3.Fixed-income market



Bond issuance increased YOY in July 2021

In July, bond issuance was around 2.97 trillion yuan, which increased by 13.69% YOY. Among which the China Central Depository & Clearing Co., Ltd issued new bond with a total amount of 1.95 trillion yuan, accounting for 57.38% of the total; the ShangHai clearing and settlement company issued new bond with a total amount of 0.89 trillion, accounting for 26.3% of the total; the Exchange issued bond with a total amount of 0.55 trillion and accounting for 16.31% of the total.

Money market rate dropped in July 2021

In July, money market rates dropped. Specifically, the 1D repo dropped by 15BP to 2.0479% compared with last month, and the average daily trading volume was 3.3 trillion, rose by 36.9% MoM. The 7D repo declined by 19BP to 2.2749% MoM, and the average daily trading volume was 0.27 billion, dropped by 40.41% MoM.

Bond settlement increased YOY in July 2021

In July, the trading volume of the bond market was 152.76 trillion, increased by 5.61% YOY. The volume in China Central Depository & Clearing Co., Ltd. Was 95.52 trillion, rose by 5.19% YOY, accounting for 62.53% of the total. The volume in ShangHai Clearing House was 24.96 trillion, increased by 6.35% YOY, accounting for 16.34% of the total; The volume in the Exchange was 32.29trillion, increased by 18.72% YOY, accounting for 21.13% of the total.



4. Mutual Fund Market

Close-ended funds:

In July, close-ended funds changed 0.50% on average. From the beginning of this year, close-ended funds changed 8.63% on average.

Open-ended funds:

In July, hybrid funds, equity funds, index funds changed by -0.74%, -2.91%, -3.42%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by 5.66%, 4.27%, 2.36%, respectively.

Bond funds:

In July, bond funds changed 0.86% on average. From the beginning of this year, the figure is 2.65%.

Generali China - Unit Linked Growth



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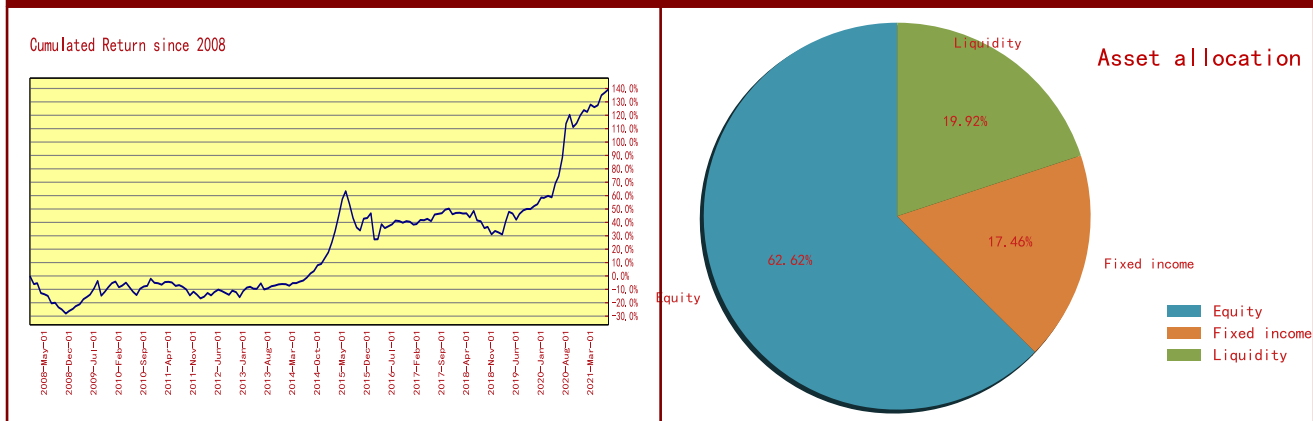
Fund Description

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(2021/07/30)		Target Clients
Price	5.1341	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	0.99%	5.22%	11.99%	6.92%	398.74%
Shanghai T-bond Index	0.73%	1.23%	3.10%	2.41%	-
Shanghai & Shenzhen 300 Index	-7.90%	-6.10%	2.47%	-7.68%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

EQ: In June, there were more cases confirmed all around the world. 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 because of virus mutation. We still hold a positive view on the market, but we are facing a more volatile market in the second half. FI: The resurgence of the Delta virus and the surprise lower of the reserve ratio by PBOC confirmed investors' view regarding lower growth in H2, risk free rate declined considerably in July. FI allocation continues to focus on 5Y credit products, as risk free rate approaches historic lows, FI allocation increased equity exposure by increase convertible bond allocation by 4.4 percentage points.

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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(2021/07/30)		Target Clients
Price	2.4326	

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

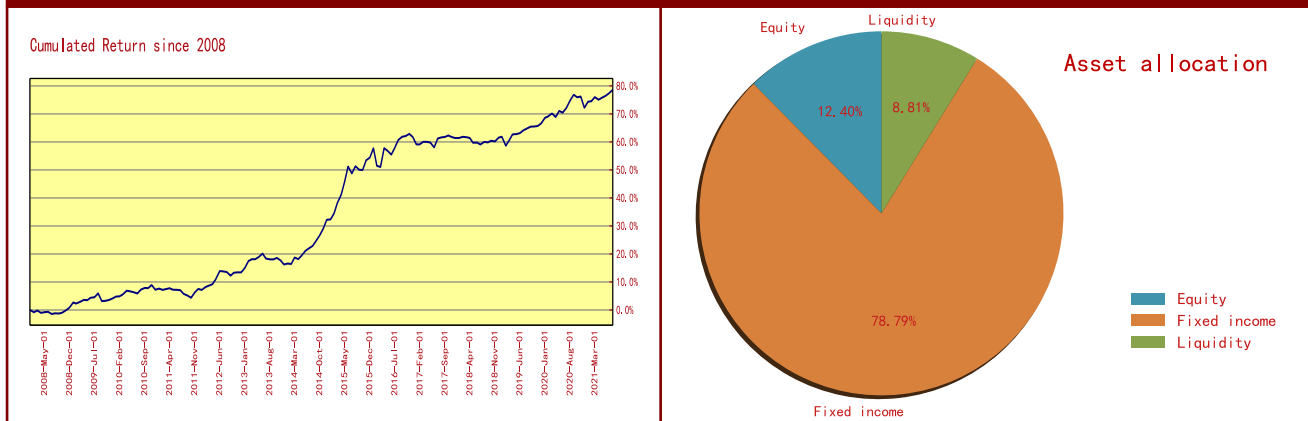
The investments focus on fixed income products and money market funds. A small percentage may be invested in equity exposed instruments as mutual funds. Other CIRC approved instruments investment is allowed.

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

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