

Unit Link Products Monthly Report

2021-12

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 number of non-farm payroll growth was 199 thousand in December, low then the expected level of 400 thousand. The unemployment rate fell by 0.3% to 3.9%. The US CPI growth in December rose by 0.2% to 7% YOY and the core CPI growth rose by 0.6% to 5.5% YOY. The CPI in Eurozone was 5% YOY in December which rose by 0.1% and core CPI growth was 2.6% YOY which was the same as last month. The US and the Eurozone faced some pressure of inflation, and it may continue for a while.

Domestic economy :

For the production side, the industrial add value in December increased by 4.3% YOY, rose by 0.5% from last month. For demand side, the total FAI growth rate was 4.9% YOY from January to December, which fell by 0.3% compared to the past eleven month. For the components of FAI, the manufacturing investment growth was 13.5% YOY, which fell by 0.2%. Infrastructure investment growth was 0.21% YOY, which increased by 0.38% compared to the previous month. The real estate investment growth was 4.4% YOY which dropped by 1.6%. In December the growth of retail sales of consumer goods was 1.7% YOY, which was a significant decrease of 2.2% compared with November. The CPI growth rate dropped by 0.8% to 1.5% YOY and the PPI growth rate dropped by 2.6% to 10.3% YOY. In December, the scale of new social financing was 2.37 trillion RMB, which was a huge increase of 720.6 billion RMB over the same period last year.

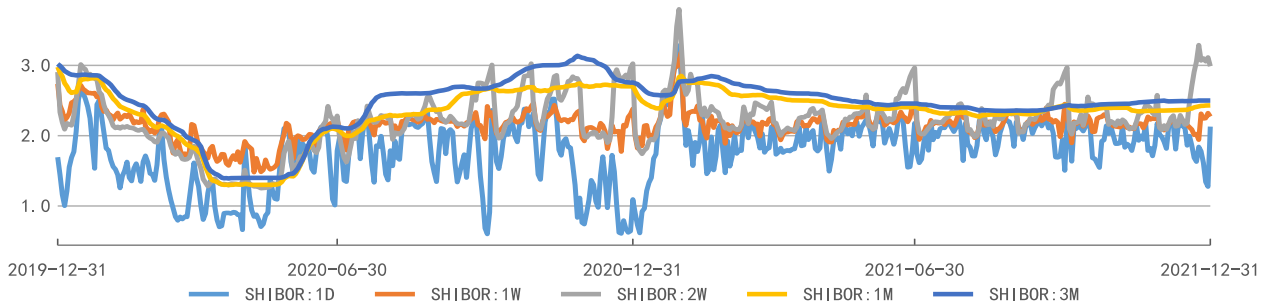
2. Stock Market

In December of 2021, by the end of the month, Shanghai Composite Index change 2.13%. Shenzhen Composite change 0.42% and GEM stocks change by -3.61%.

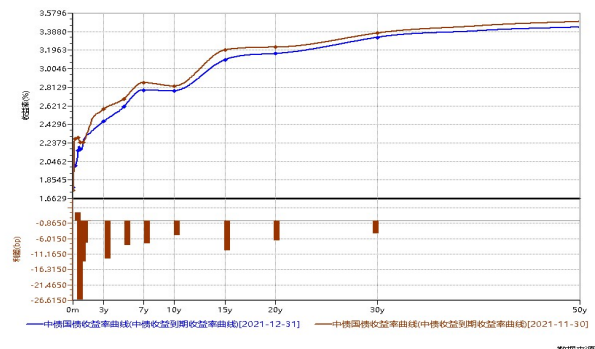
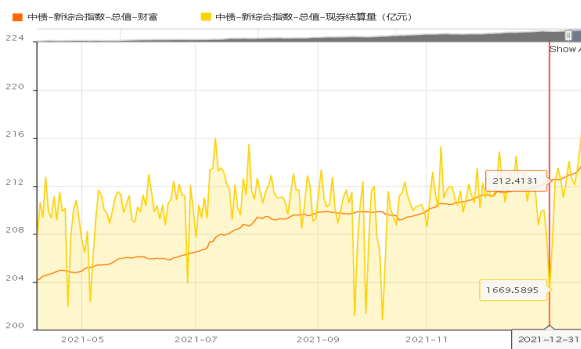
Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	2.13	863871.28	10946421.26	20.58
SZ stocks	0.42	1074695.06	14796907.09	35.53
HS300	2.24	349373.47	6959320.58	12.52
GEM stocks	-3.61	329839.76	5867400.46	83.90



3.Fixed-income market



Data Source: Wind



数据来源: Wind

Bond market continued to expand rapidly in December 2021

In December, the bond market had expanded to 117.74 trillion yuan. Among which the China Central Depository & Clearing Co., Ltd (CCDC) had a total amount of 87.2 trillion yuan with a growth of 13.04% YoY. Bond around 15.08 trillion yuan was registered in the ShangHai clearing and settlement company, which had a growth of 12.79% YoY. Registration of bond in China Securities Depository and Clearing Co., Ltd was 15.46 trillion yuan, increased by 12.76% YoY.

Money market rate fluctuated in December 2021

In December, money market rates fluctuated. Specifically, the 1D repo fell by 16BP to 1.96% and the average daily trading volume was 4.17 trillion which had a growth of 1.98% MoM. The 7D repo rose by 23BP to 2.54% MoM, and the average daily trading volume was 494.1 billion which dropped by 3.29% MoM.

Trading volume increased in December 2021

In December, the trading volume in China Central Depository & Clearing Co., Ltd. (CCDC) was 109.04 trillion, which had a growth of 23.6% YOY. Among which the volume for bond trading and repo trading were 14.52 trillion and 93.54 trillion yuan respectively. The average turnover rate for bond registered in CCDC was 16.63%. The most actively traded bonds were policy bank bonds, commercial bank bonds and Treasury bonds, with turnover rates of 40.63%, 18.5% and 18.03%, respectively.



4. Mutual Fund Market

Close-ended funds:

In December, close-ended funds changed -1.64% on average. From the beginning of this year, close-ended funds changed 8.15% on average.

Open-ended funds:

In December, hybrid funds, equity funds, index funds changed by -0.76%、 -0.13%、 0.45%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by 8.70%、 7.75%、 6.26% , respectively.

Bond funds:

In December, bond funds changed 0.44% on average. From the beginning of this year, the figure is 4.90%.

Generali China - Unit Linked Growth



中意人壽
GENERALI CHINA

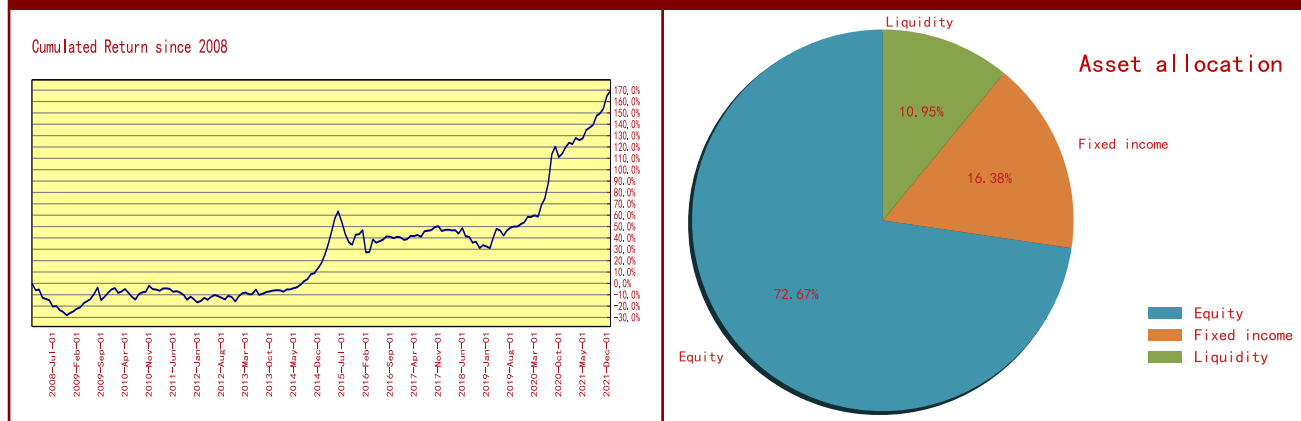
Fund Description

Fund Name	Growth	Investment Objective The objective is to maximize return in the medium-long run with a medium to high risk level.
Launch Date	2004/09/30	
Currency	RMB	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.
Management Fee	1.50% per year	
Latest Price(2021/12/31)		Target Clients This account is a medium aggressive account. This fund may be quite volatile and it is only suitable for long-term investors.
Price	5.7746	

Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	1.58%	7.87%	20.26%	20.26%	460.96%
Shanghai T-bond Index	0.41%	1.03%	4.24%	4.24%	-
Shanghai & Shenzhen 300 Index	2.24%	1.52%	-5.20%	-5.20%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

Eq: In December, the market continued its previous fluctuation. Since entering the year-end ranking period, the market is more inclined to the directions with better fundamental trends, such as green vehicles, military industry and power grids investment. In the short term, we believe the downward pressure on the domestic economy was prominent, fundamental pressure still existed. Omicron seems not as fatal as the virus before, therefore, the market was thinking about recovery in the long run. Monetary easing is on the way due to the pressure we were facing. We may face another spring rally in 2022. We maintain neutral view, focusing on structural opportunities. FI: In December the central economic conference indicates a stable macro economy is priority number one for 2022, more fiscal stimulus and monetary easing is expected. Liquidity remains ample for year end, risk free rate declined. Looking over 2022, macro economy is expected to slow during H1, as result, monetary policy is expected to remain loose, liquidity also remain ample. Leverage arbitrage stays the best strategy, year end increased policy bond allocation by 5.54%, credit products by 9.93%.

Generali China - Unit Linked Growth



中意人壽
GENERALI CHINA

Fund Description

Fund Name	Stable	Investment Objective
Launch Date	2004/09/30	
Currency	RMB	Investment Scope
Management Fee	1.25% per year	
Latest Price(2021/12/31)		Target Clients
Price	2.5214	

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.

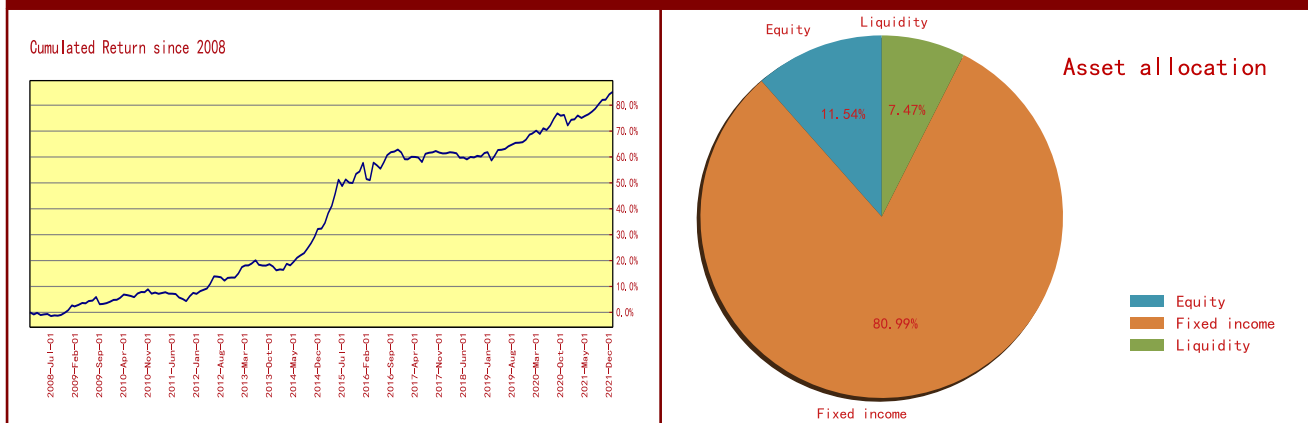
Target Clients

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	0.54%	1.72%	6.20%	6.20%	144.94%
Shanghai T-bond Index	0.41%	1.03%	4.24%	4.24%	-
Shanghai & Shenzhen 300 Index	2.24%	1.52%	-5.20%	-5.20%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

Eq: Since the beginning of the year, after policy easing, the market has experienced an unexpected decline. There were two main reasons for this. First, the downward pressure on the domestic economy was obvious, and the market was worried about the policy support not strong enough which may lead the market drop further. Second, after several years of structural bull market, the transactions on some popular sectors were extremely crowded, and there was high pressure on valuations. We believe that stabilizing the economy is the main tone in 2022, and liquidity easing was an inevitable trend. The fundamental trend cannot be known linearly, and the performance of the equity market should not be bad.

Although overseas is in an interest rate hike cycle and external liquidity may also affect the domestic market, we are optimistic about the current equity market after experiencing a sharp decline in the previous period. FI: In December the central economic conference indicates a stable macro economy is priority number one for 2022, more fiscal stimulus and monetary easing is expected. Liquidity remains ample for year end, risk free rate declined. Looking over 2022, macro economy is expected to slow during H1, as result, monetary policy is expected to remain loose, liquidity also remain ample. Leverage arbitrage stays the best strategy, year end increased policy bond allocation by 5.54%, credit products by 9.93%.