

# Unit Link Products Monthly Report

2022-01

## Category

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



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## 1. Macroeconomic

### Overseas economy :

In the United States, the number of non-farm payrolls growth got a reading of 467 thousand in January, which was far beyond the expectation of 125 thousand and the previous counting of 199 thousand. The unemployment rate rose a little bit to 4% in January, which was higher than the expectation of 3.9%. The ISM manufacturing PMI dropped to 57.6, which was above expectation of 57.5 and the previous value was 58.7. However, it still indicated the industrial production was in a tendency of expansion. The US CPI expectation growth in January was 7.2% and the final value was 7.5% YOY, which was higher than the previous value of 7% , reaching a new peak in the recent four decades. The Eurozone Manufacturing PMI rose to 58.7 in January and the previous value was 58.0. The CPI growth increased to 5.1% YoY in January, and core CPI growth was 2.3% YOY, previous value was 5.0% and 2.6% respectively. The Eurozone inflation data in this month showed the energy price rose 28.6% YOY which was the main cause of the soared CPI.

### Domestic economy :

The manufacturing PMI in January was 50.1, dropped 0.2% compare with last month. The CPI rose by 0.9% YOY and 0.4% MOM in January. The PPI growth increased by 9.1% YOY and fell 0.2% MOM. In January, the new RMB loan was 3.98 trillion and the scale of new social financing was 6.17 trillion RMB, which was a significant increase of 984.2 billion over the same period last year. Both credit loan and scale of new social financing were better than expectations, which reflected monetary policy and fiscal policy were moving forward to support economic growth.

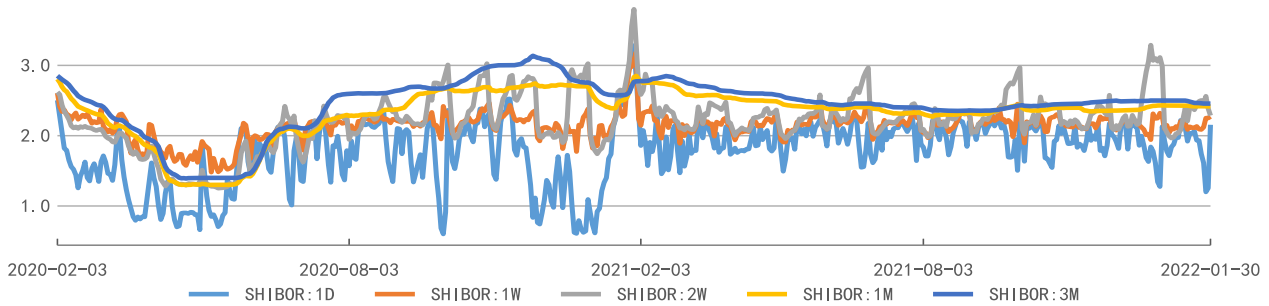
## 2. Stock Market

In January of 2022, by the end of the month, Shanghai Composite Index change -7.65%. Shenzhen Composite change -10.29% and GEM stocks change by -12.34%.

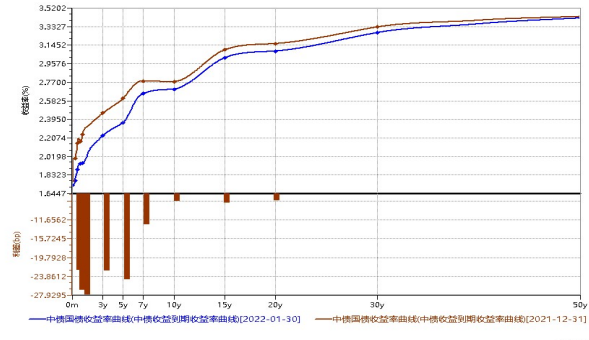
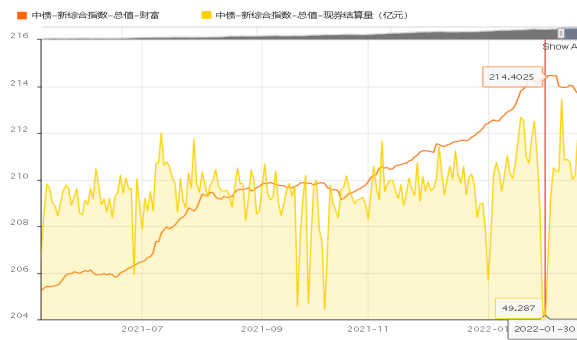
Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	-7.65	662572.01	8254810.30	15.81
SZ stocks	-10.29	903079.29	11760673.90	29.15
HS300	-7.62	271784.28	5448680.67	9.77
GEM stocks	-12.34	280345.76	4733213.52	70.92



### 3.Fixed-income market



Data Source: Wind



#### Bond market continued to expand in January 2022

In January, the bond market had expanded to 119.09 trillion yuan. Among which the China Central Depository & Clearing Co., Ltd (CCDC) had a total amount of 87.96 trillion yuan with a growth of 13.46% YoY. Bond around 15.56 trillion yuan was registered in the ShangHai clearing and settlement company, which had a growth of 14.57% YoY. Registration of bond in China Securities Depository and Clearing Co., Ltd was 15.57 trillion yuan, increased by 11.85% YoY.

#### Money market rate dropped in January 2022

In January, money market rates dropped. Specifically, the 1D repo fell by 6BP to 1.90% and the 7D repo rose by 32BP to 2.21%.

#### Trading volume increased in January 2022

In January, the trading volume in China Central Depository & Clearing Co., Ltd. (CCDC) was 98.54 trillion, which had a growth of 26.06% YOY. Among which the volume for bond trading and repo trading were 14.19 trillion and 83.65 trillion yuan respectively. The average turnover rate for bond registered in CCDC was 16.11%. The most actively traded bonds were policy bank bonds, Treasury bonds and commercial bank bonds, with turnover rates of 35.84%、20.89% and 15.72%, respectively.



## 4. Mutual Fund Market

### Close-ended funds:

In January, close-ended funds changed -9.73% on average. From the beginning of this year, close-ended funds changed -9.73% on average.

### Open-ended funds:

In January, hybrid funds, equity funds, index funds changed by -7.05%、-8.96%、-8.53%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by -7.05%、-8.96%、-8.53% , respectively.

### Bond funds:

In January, bond funds changed 0.05% on average. From the beginning of this year, the figure is 0.05%.

# Generali China - Unit Linked Growth



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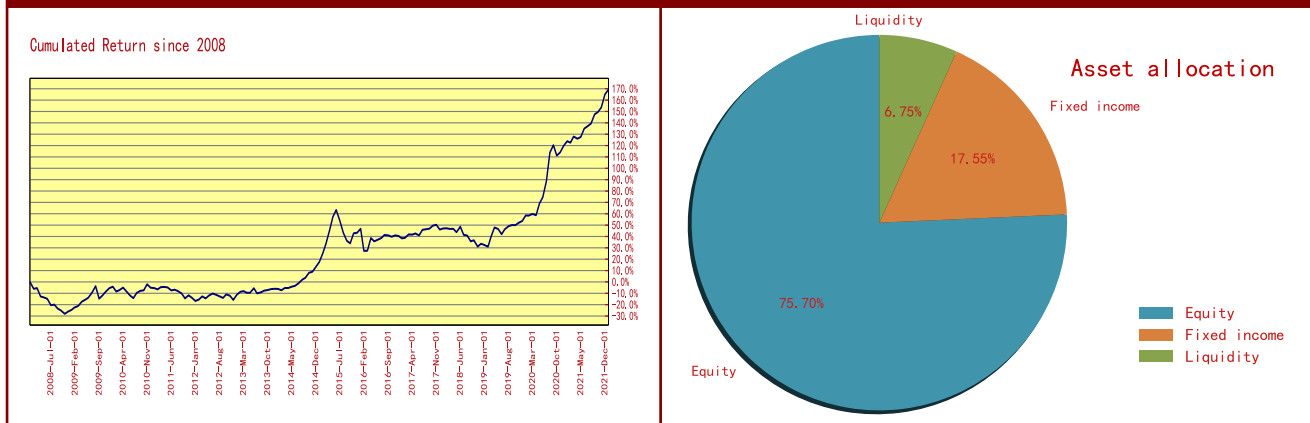
## Fund Description

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(2022/01/28)		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	5.3347	

## Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	-7.62%	-1.92%	11.79%	-7.62%	418.23%
Shanghai T-bond Index	0.57%	1.51%	4.48%	0.57%	-
Shanghai & Shenzhen 300 Index	-7.62%	-7.03%	-14.73%	-7.62%	-

## 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:** At beginning of the year, PBOC lowered open market operation rate, interest rate reached historical low. Reading from growth targets of local governments, this year's national GDP will be roughly around 5.5%, more stimulus are likely on its way, but due to control on housing price and covid breakouts, investment and consumption will remain subdued. The effects of easing credit condition needs more time to verify, interest rate in the near term will be range bound. Monetary policy will remain loose, money rate stable, interest arbitrage will provide a stable source of income. Portfolio increased interest rate product allocation by 1.62% and credit products by 6.63%.

# Generali China - Unit Linked Growth



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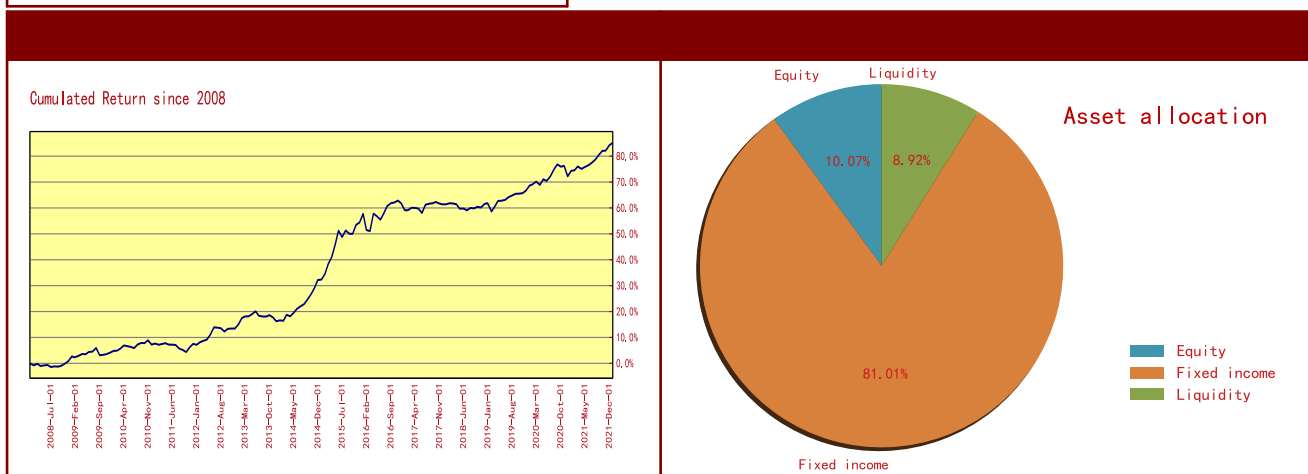
## Fund Description

Fund Name	Stable	Investment Objective Achieving the best match of stable investment return and good assets liquidity with a low risk level in the medium-long run.
Launch Date	2004/09/30	
Currency	RMB	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.
Management Fee	1.25% per year	
Latest Price(2022/01/28)	Target Clients	
Price	2.4619	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	-2.36%	-0.72%	3.59%	-2.36%	139.16%
Shanghai T-bond Index	0.57%	1.51%	4.48%	0.57%	-
Shanghai & Shenzhen 300 Index	-7.62%	-7.03%	-14.73%	-7.62%	-

## Performance Chart and Allocation



## Market & Portfolio Comments

### Portfolio review and outlook:

EQ: The main lines in 2022 are stable growth and stable consumption, stable growth is more rapid than stable consumption, the portfolio will focus on the layout in these two directions. The main risks overseas in 2022 are the Fed rate hike and European monetary tightening, while the domestic monetary liquidity is loose and the overall risk is manageable. Allocation direction, still focus on two main lines: stable growth, stable consumption. From the valuation point of view, in 2021, the valuation of small and mid-cap market capitalization companies have a large repair, while the valuation of large-cap has been revised downward. Throughout 2022, it is expected that large-cap have the space for upward valuation. FI: At beginning of the year, PBOC lowered open market operation rate, interest rate reached historical low. Reading from growth targets of local governments, this year's national GDP will be roughly around 5.5%, more stimulus are likely on its way, but due to control on housing price and covid breakouts, investment and consumption will remain subdued. The effects of easing credit condition needs more time to verify, interest rate in the near term will be range bound. Monetary policy will remain loose, money rate stable, interest arbitrage will provide a stable source of income. Portfolio increased interest rate product allocation by 1.62% and credit products by 6.63%.