

Unit Link Products Monthly Report

2022-03

Category

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



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1. Macroeconomic

Overseas economy :

The recovery of economy in the U.S showed a peak tendency in March. The number of non-farm payrolls growth was 43.1 million in March, and the unemployment rate dropped slightly from 3.8% to 3.6%. The ISM manufacturing PMI dropped a little to 57.1 while the services PMI rose to 58.3 from 56.5 in February. The US CPI growth in March continued to rise to 8.5% YOY and the core CPI growth climbed to 6.5% YOY. Further, the PPI growth also rose to 11.2%, which indicated a serious inflation pressure. The Eurozone Manufacturing PMI declined a little to 56.5 in March, and the services PMI was 55.6 in March. The CPI growth continued to rise to 7.4% YoY in March and the core CPI growth rose slightly to 2.9%. The Eurozone also faced pressure of inflation.

Domestic economy :

Domestic economy faced some pressure in March as the epidemic spread. The GDP growth rate was 4.8% in the first quarter of 2022 which was higher than the last quarter, but it was still lower than the whole year target of 2022. At the production side, industrial added value in March increased by 5% YoY, which dropped by 7.8%. For the demand side: The total FAI growth for the year was 9.3% YoY, which declined by 2.9% compared to previous period. For the components of FAI, the manufacturing investment growth dropped by 4.3% to 15.6% YoY. Infrastructure investment growth was 8.5% YoY, which was a slight improvement from January to February. The real estate investment growth continued to drop by 2.9 to 1.8% YoY. In March, the total retail sales of consumer goods growth fell by 10.3% to -3.5% YoY. The CPI growth rate rose slightly to 1.5% YoY in March, and the PPI growth rate fell a little to 8.3% YoY. In March, the scale of new social financing was 4.65 trillion RMB, which improved a lot compared with the February.

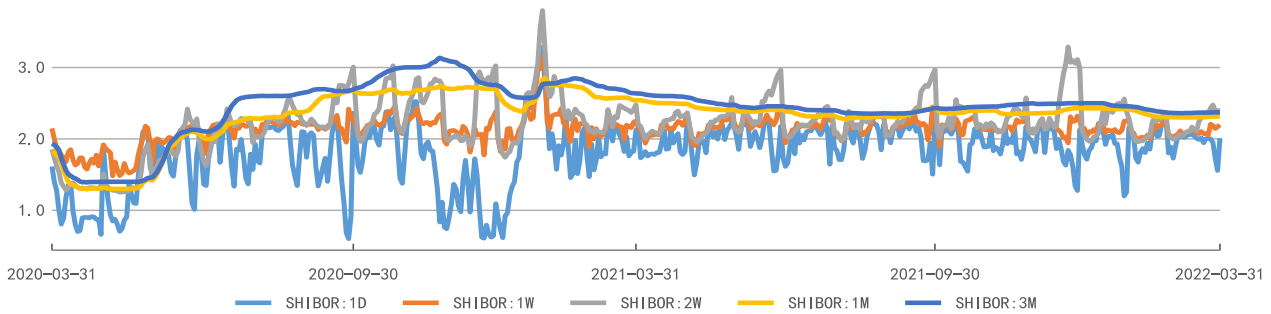
2. Stock Market

In March of 2022, by the end of the month, Shanghai Composite Index change -6.07%. Shenzhen Composite change -9.94% and GEM stocks change by -8.02%.

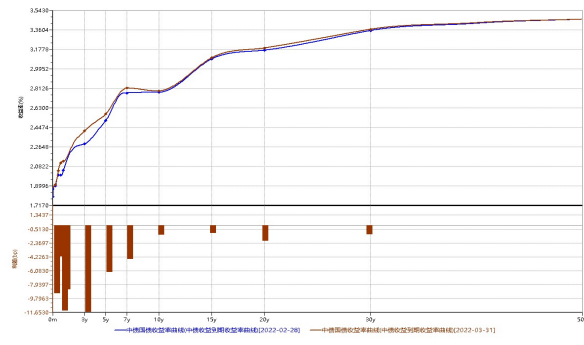
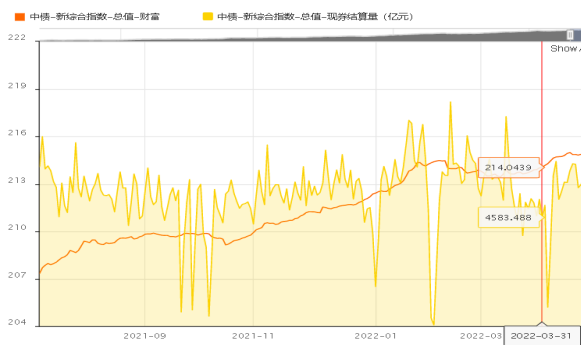
Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	-6.07	870200.60	10054195.80	20.96
SZ stocks	-9.94	1049925.19	13267480.56	31.74
HS300	-7.84	326087.54	6236632.91	11.66
GEM stocks	-8.02	299202.32	5230581.41	74.43



3.Fixed-income market



Data Source: Wind



Bond market continued to expand in March 2022

In March, the bond market had expanded to 121.21 trillion yuan. Among which the China Central Depository & Clearing Co., Ltd (CCDC) had a total amount of 89.63 trillion yuan with a growth of 14.25% YoY. Bond around 16.02 trillion yuan was registered in the ShangHai clearing and settlement company, which had a growth of 15.67 YoY. Registration of bond in China Securities Depository and Clearing Co., Ltd was 15.57 trillion yuan, increased by 10.19% YoY.

Money market rate differentiated in March 2022

In March, money market rates fluctuated. Specifically, the 1D repo dropped by 5BP to 2.0125% and the 7D repo rose by 12BP to 2.3446%.

Trading volume rose in March 2022

In March, the trading volume in China Central Depository & Clearing Co., Ltd. (CCDC) was 103.8 trillion, which had a boost of 18.59% YOY. Among which the volume for bond trading and repo trading were 14.84 trillion and 88.97 trillion yuan respectively. The average turnover rate for bond registered in CCDC was 16.55%. The most actively traded bonds were policy bank bonds, commercial bank bonds and Treasury bonds with turnover rates of 39.88%、19.33% and 19.16%, respectively.



4. Mutual Fund Market

Close-ended funds:

In March, close-ended funds changed -8.35% on average. From the beginning of this year, close-ended funds changed -16.39% on average.

Open-ended funds:

In March, hybrid funds, equity funds, index funds changed by -6.05%、-7.35%、-7.07%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by -11.63%、-13.92%、-13.28 , respectively.

Bond funds:

In March, bond funds changed -0.53% on average. From the beginning of this year, the figure is -0.48%.

Generali China - Unit Linked Growth



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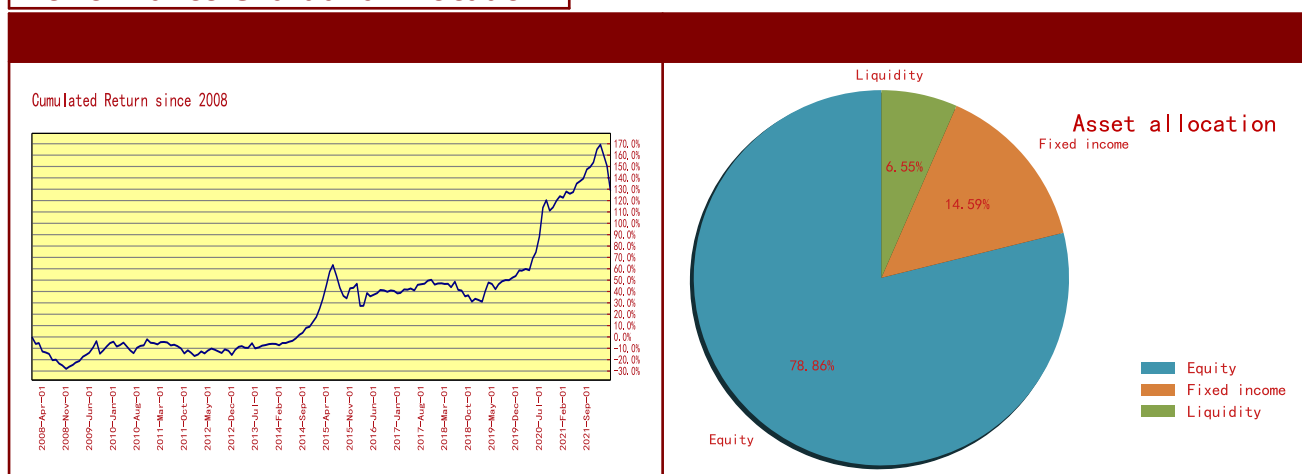
Fund Description

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(2022/03/31)		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	4.9027	

Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	-8.75%	-15.10%	1.13%	-15.10%	376.27%
Shanghai T-bond Index	0.18%	0.94%	4.38%	0.94%	-
Shanghai & Shenzhen 300 Index	-7.84%	-14.53%	-16.36%	-14.53%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

EQ: In March, the market experienced an unexpected fall. On the surface, the Russian-Ukrainian war was the fuse, but in fact, the persistently sluggish real estate sales and the large-scale spread of the epidemic were the internal causes. More cities have loosen policies significantly on real estate, but sales remained subdued. Due to the importance of real estate, the market has focused on the loosening policies. The impact of this epidemic is more serious than that in 2020, because it involved Shanghai. At present, the number of confirmed cases was still rising rapidly, and it was estimated that the impact will be difficult to eliminate within one month. After a continuous adjustment, the overall valuation has entered a better range, but the uncertainty of the fundamentals was still the main factor suppressing the market. Considering the continued easing of liquidity in the future, the strategy can still remain positive, but the fundamental faced multiple risks, and it was difficult for the market to achieve a V-shaped reversal. FI: COVID-19 outbreak in March makes macro economy difficult to predict, but high frequency data indicates the economy faces strong downside pressure. The government is going to make strong commitment to boost the economy, rate cut and lower risk-free rate is expected. Risk-free rate bounded lower. In the near term, monetary policy remains ease, credit arbitrage is still the top strategy. If risk-free rate continues to head lower, portfolio will take profit off the table to boost return.

Generali China - Unit Linked Growth



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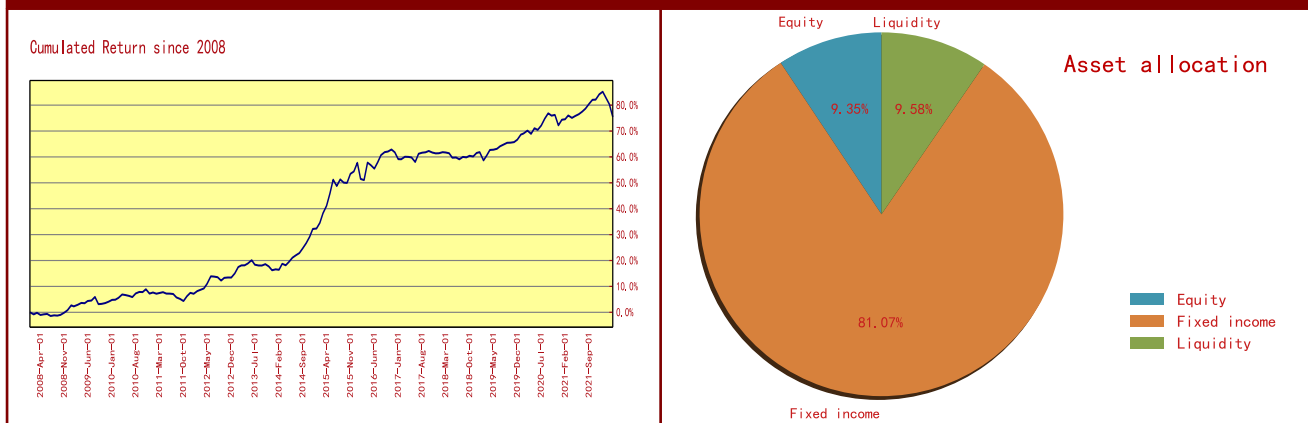
Fund Description

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(2022/03/31)	Target Clients	
Price	2.3888	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	-2.73%	-5.26%	0.21%	-5.26%	132.06%
Shanghai T-bond Index	0.18%	0.94%	4.38%	0.94%	-
Shanghai & Shenzhen 300 Index	-7.84%	-14.53%	-16.36%	-14.53%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

EQ: Equity fell more in March. The main reasons are as follows: The epidemic broke out in many parts of the country, including many major economic cities, such as Shanghai and Shenzhen. In addition, Jilin Province is also a heavy industry center. Stocks have fallen sharply, and the structure is not strong, only banks and coal have positive returns. Some growth stocks have entered historically low valuations. The April portfolio will increase the layout of growth stocks. **FI:** COVID-19 outbreak in March makes macro economy difficult to predict, but high frequency data indicates the economy faces strong downside pressure. The government is going to make strong commitment to boost the economy, rate cut and lower risk-free rate is expected. Risk-free rate bounded lower. In the near term, monetary policy remains ease, credit arbitrage is still the top strategy. If risk-free rate continues to head lower, portfolio will take profit off the table to boost return.