

Unit Link Products Monthly Report

2023-01

Category

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



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1. Macroeconomic

Overseas economy :

The U.S inflation remained at a high level. The number of non-farm payrolls growth was 517K in January, and the unemployment rate decreased to 3.4%. The ISM manufacturing PMI dropped to 47.4 and the services PMI increased to 55.2, which indicated the service economy expanded. The US CPI growth in January rose to 6.4% YoY while the core CPI grew 5.6% YoY. Further, the PPI growth rose to 6.0% YoY. Overall, the price index indicated high inflation pressures remain. The Eurozone Manufacturing PMI rebounded a little to 48.8, and the services PMI also rebounded to 50.8 in January. The CPI growth rose to 8.6% YoY in January and the core CPI growth increased to 5.3%. The pressure of inflation in Eurozone remains.

Domestic economy :

The CPI growth rate increased by 0.3% to 2.1% YoY in January, and the PPI growth rate decreased 0.1% to -0.8% YoY. In January, the scale of new social financing was 5.984 trillion RMB, credit expansion is very strong at the beginning of the year. Due to Chinese New Year Holidays, January and February economic data will be combine published in March.

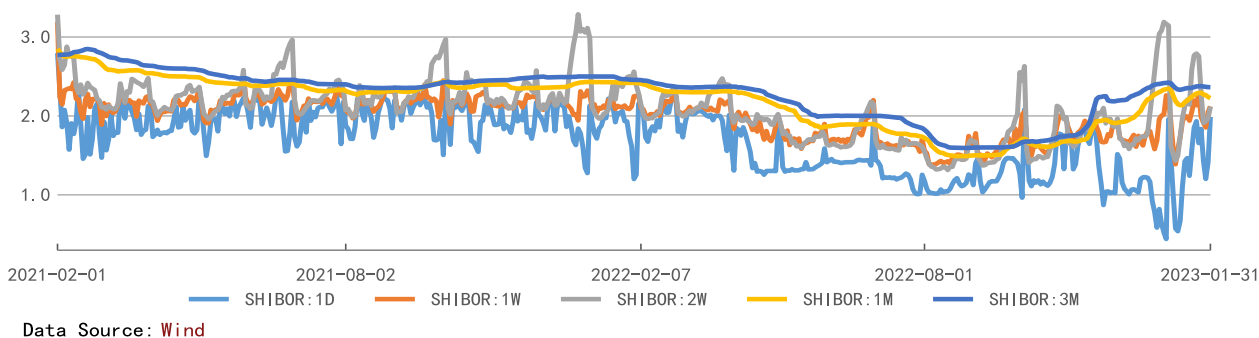
2. Stock Market

In January of 2023, by the end of the month, Shanghai Composite Index change 5.39%. Shenzhen Composite change 8.94% and GEM stocks change by 9.53%.

Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	5.39	413343.22	5283874.94	9.53
SZ stocks	8.94	599099.94	7307858.55	16.48
HS300	7.37	179679.13	3635655.10	6.24
GEM stocks	9.53	131153.87	2366080.64	30.07



3.Fixed-income market



Bond market expanded in January 2022

In January, the bond market had expanded to 145.24 trillion yuan. Among which the China Central Depository & Clearing Co., Ltd (CCDC) had a total amount of 96.59 trillion yuan with a growth of 0.12% MoM. 31.39 trillion yuan was registered in the Shanghai Clearing and Settlement Company, which increased by 0.42%. Registration of bond in China Securities Depository and Clearing Co., Ltd was 17.26 trillion yuan, which remained the same.

Money market rate fluctuated in January 2022

In January, money market rates fluctuated near year end. Specifically, the 1D repo increased by 23bp to 1.41% and the 7D repo decreased by 37bp to 2.08%.

Trading volume decreased in January 2022

In January, the trading volume in China Central Depository & Clearing Co., Ltd. (CCDC) was 90.85 trillion, which had a decrease of 18.45% MoM. Among which the volume for bond trading and repo trading were 9.76 trillion and 81.09 trillion yuan, a MoM decrease of 28.18% and 15.24% respectively.



4. Mutual Fund Market

Close-ended funds:

In January, close-ended funds changed +6.01% on average. From the beginning of this year, close-ended funds changed +6.01% on average.

Open-ended funds:

In January, hybrid funds, equity funds, index funds changed by +4.91%, +7.05%, +7.35%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by +4.91%, +7.05%, +7.35%, respectively.

Bond funds:

In January, bond funds changed +0.63% on average. From the beginning of this year, the figure is +0.63%.

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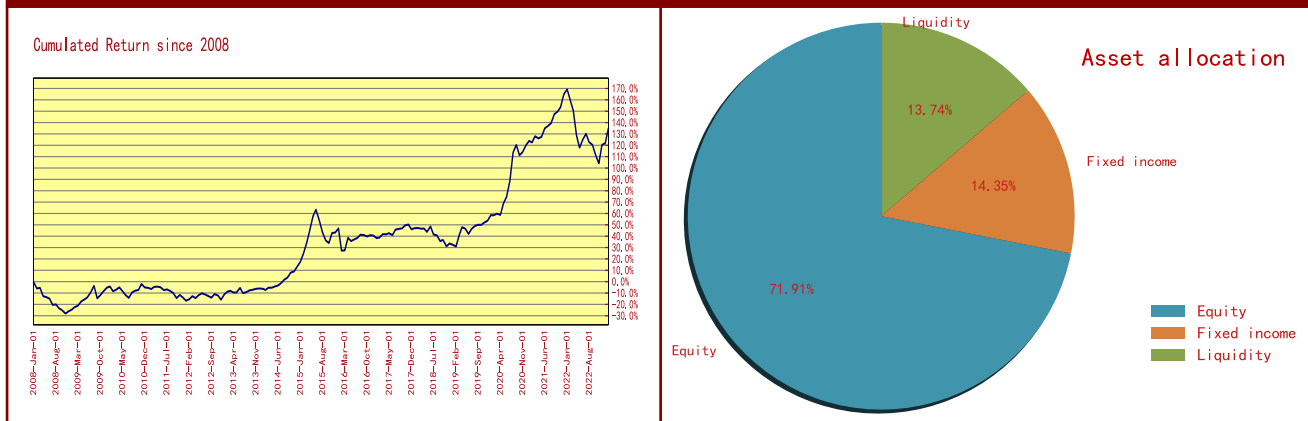
Fund Description

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(2023/01/31)		Target Clients
Price	5.0402	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	5.98%	15.19%	-5.52%	5.98%	389.62%
Shanghai T-bond Index	0.25%	0.22%	3.30%	0.25%	-
Shanghai & Shenzhen 300 Index	7.37%	18.47%	-8.92%	7.37%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

EQ: As the covid-19 epidemic peak passed, economic production gradually returned to normal, and the equity market ushered in a significant recovery in January. Although we still face the threat of variants such as XBB, the negative impact of epidemic on the economy will be greatly weakened. Both the service industry and the manufacturing industry will benefit from the relaxation of epidemic control. We will maintain a relatively high position, focusing on the following directions which benefit from the economic recovery with insufficient expectations: 1) There is still uncertainty about whether the sales of real estate can be greatly improved, but the improvement of the completion of real estate is relatively certain, and related industries chain will benefit. 2) The recovery of the offline service industry is obvious. As the market has already priced in the recovery, we will look for opportunities in related industries. 3) Promoting economic development has become the focus of policy at this stage. Some directions suppressed by policies may usher in policy reversals, which is also the direction we can actively deploy. FII In January the expectation of economic rebound continues to be priced in the market and money market rate tightens due to Chinese New Year Holiday, risk free rate fluctuate upward. There were no major changes to portfolio's allocation in January. In short term, the market will continue to reflect a macro rebound, but monetary policy will remain accommodative, fixed income investment will increase allocation to credit product and slightly increase leverage ratio.

Generali China - Unit Linked Growth



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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(2023/01/31)		Target Clients
Price	2.3821	

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

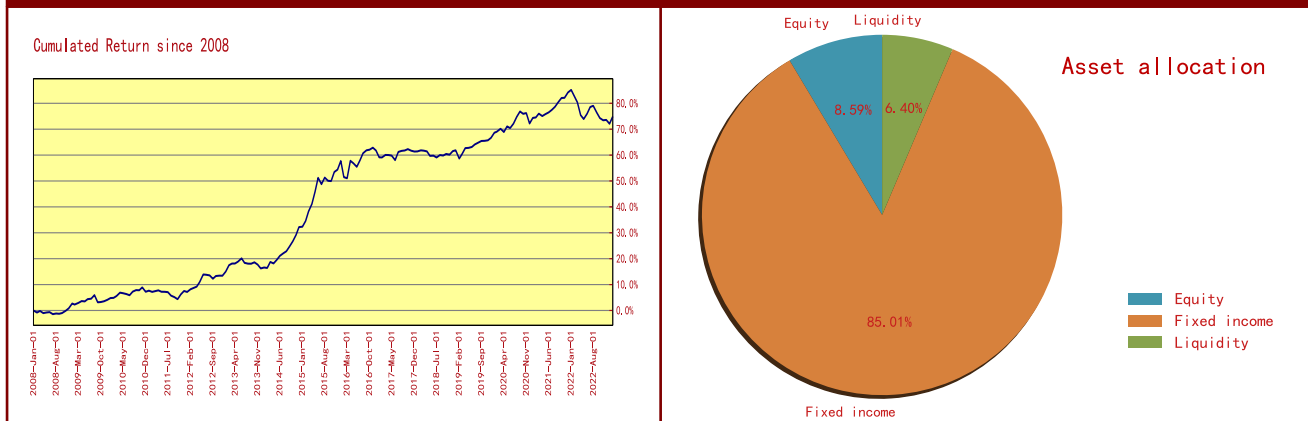
The investments focus on fixed income products and money market funds. A small percentage may be invested in equity exposed instruments as mutual funds. Other CIRC approved instruments investment is allowed.

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	1.65%	0.86%	-3.25%	1.65%	131.40%
Shanghai T-bond Index	0.25%	0.22%	3.30%	0.25%	-
Shanghai & Shenzhen 300 Index	7.37%	18.47%	-8.92%	7.37%	-

Performance Chart and Allocation



Market & Portfolio Comments

Portfolio review and outlook:

EQ: During the Spring Festival, Omicron did not have a secondary infection, and the festival economy recovered quickly, but the growth momentum and sustainability of the economy in the medium term are not clear, so the monetary, fiscal and industrial policies are still in a loose trend, and it is expected that with the convening of the two sessions, the direction and implementation of policies will be clearer and more powerful; At the same time, overseas is still in a mild recession, and the market expects low economic data in the first quarter, so we are still relatively optimistic about the overall market, but need to pay attention to the potential performance risks of annual and quarterly reports; Structurally, we are still optimistic, first, along with the alleviation of the epidemic, the corresponding long-term growth center is still relatively stable varieties that benefit from the rapid recovery of the scene, such as medicine, consumption and other varieties with a continuous increase in penetration rate (medical beauty, duty-free, sports consumption, etc.); Second, the post-real estate industry chain that benefits from the improvement of real estate policies, such as home appliances, home furnishings and other varieties; Third, varieties related to safety and supply chain stability, such as military industry, information innovation, etc.; Fourth, there are varieties with significantly improved fundamentals, such as electricity. FI: In January the expectation of economic rebound continues to be priced in the market and money market rate tightens due to Chinese New Year Holiday, risk free rate fluctuate upward. There were no major changes to portfolio's allocation in January. In short term, the market will continue to reflect a macro rebound, but monetary policy will remain accommodative, fixed income investment will increase allocation to credit product and slightly increase leverage ratio.