

# Unit Link Products Monthly Report

2023-12

## 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 pressure continue to ease in December. The number of non-farm payrolls growth was 216K in December, and the unemployment rate remained at 3.7. The ISM manufacturing PMI increased to 47.4 and the services PMI decreased to 50.6, which indicated the service economy expanded. The US CPI growth rose 3.4 % YoY while the core CPI grew 3.9% YoY. Further, the PPI grew 0.9% YoY. Overall, the price index indicates eased inflation pressure. The Eurozone Manufacturing PMI increased to 44.4, and the services PMI increased to 48.8 in December. The CPI grew 2.9% YoY in December and the core CPI grew by 3.4% YoY. The pressure of inflation in Eurozone eased in December.

### Domestic economy:

Domestic economy rebounded in December. At the production side, the growth of industrial added value in December increased to 6.8% from 6.6%. For the demand side: The total FAI growth for the year was 3.0% YoY, which increased by 0.1% compares to previous period. For the components of FAI, the manufacturing investment growth stayed at 6.5% YoY. Infrastructure investment growth increased by 0.1% to 5.9% YoY. In December, the total retail sales of consumer goods growth decrease by 2.7% to 7.4% YoY. The CPI decreased at 0.3% YoY in December, and the PPI growth rate decrease to -2.7% YoY. In December, the scale of new social financing was 1.9401 trillion RMB, credit expansion slowed from previous month.

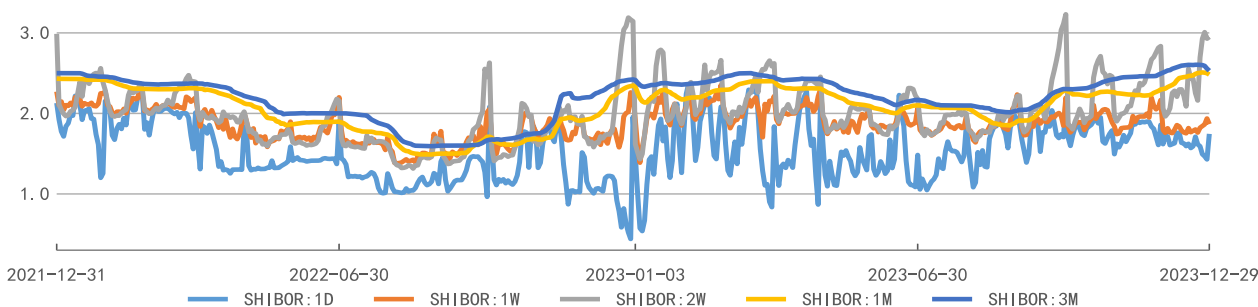
## 2. Stock Market

In December of 2023, by the end of the month, Shanghai Composite Index change -1.81%. Shenzhen Composite change -2.08% and GEM stocks change by -2.13%.

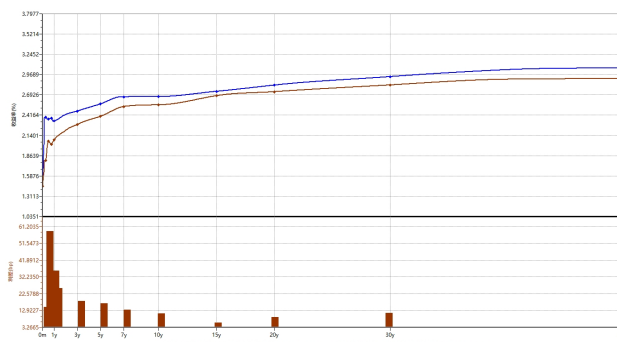
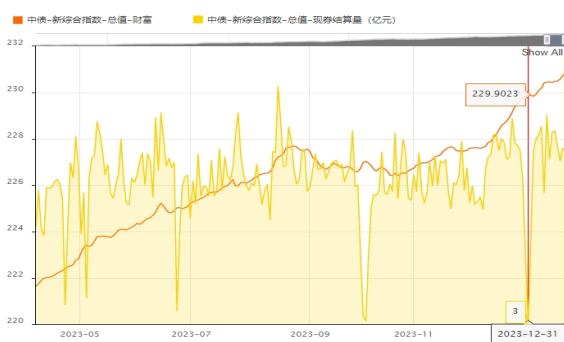
Index	Percentage[%]	Volume [million]	Amount [million]	Turnover[%]
SH stocks	-1.81	605856.45	6897411.46	13.25
SZ stocks	-2.08	787291.96	9219933.22	19.06
HS300	-1.86	214233.26	3490287.14	6.95
GEM stocks	-2.13	248746.49	4002971.73	52.42



### 3.Fixed-income market



Data Source: Wind



#### Bond market expanded in December 2023

In December, the bond market had expanded to 140.43 trillion yuan. Among which the China Central Depository & Clearing Co., Ltd (CCDC) had a total amount of 106.09 trillion yuan with a growth of 0.84% MoM. 34.34 trillion yuan was registered in the Shanghai Clearing and Settlement Company, which increased by 0.59%.

#### Money market rate fluctuated in December 2023

In December, money market rates fluctuated. Specifically, the 1D repo decreased by 14bp to 1.76% and the 7D repo increased by 18bp to 2.62%.

#### Trading volume decreased in December 2023

In December, the trading volume in China Central Depository & Clearing Co., Ltd. (CCDC) was 139.53 trillion, which had an decrease of 0.61% MoM. Among which the volume for bond trading and repo trading were 19.17 trillion and 120.36 trillion yuan, a MoM decrease of 1.03% and 0.54% respectively.



## 4. Mutual Fund Market

### Close-ended funds:

In December, close-ended funds changed -1.61% on average. From the beginning of this year, close-ended funds changed -16.12% on average.

### Open-ended funds:

In December, hybrid funds, equity funds, index funds changed by -1.63%, -1.95%, -1.80%, respectively. From the beginning of this year, hybrid funds, equity funds, index funds changed by -9.63%, -9.25%, -8.39%, respectively.

### Bond funds:

In December, bond funds changed +0.50% on average. From the beginning of this year, the figure is +2.86%.

# Generali China - Unit Linked Growth



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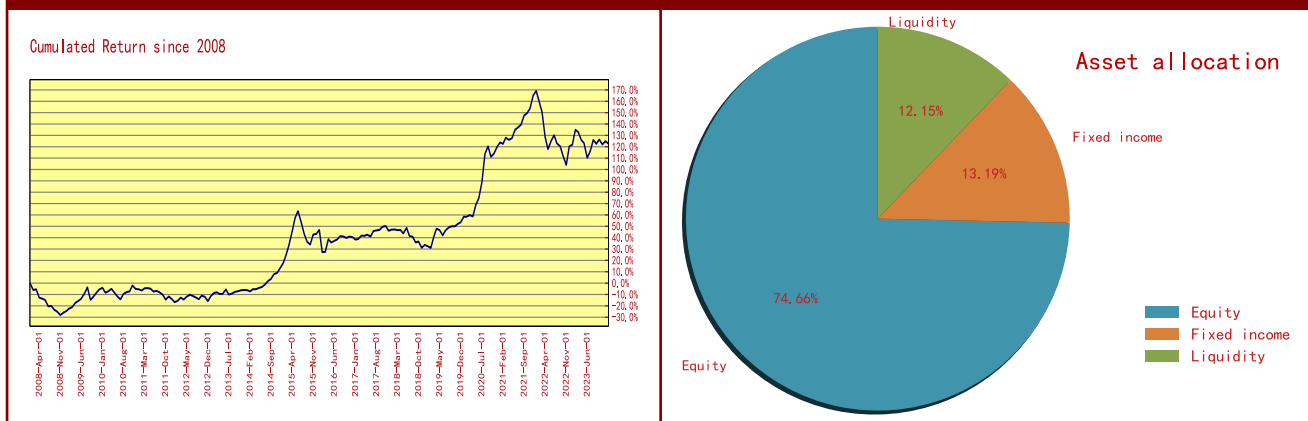
## Fund Description

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(2023/12/31)		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	4.7761	

## Performance

	1 Month	3 Months	12 Months	YTD	Since Inception
Net Asset Value	-1.00%	-1.65%	0.43%	0.43%	363.96%
Shanghai T-bond Index	0.38%	0.78%	3.79%	3.79%	-
Shanghai & Shenzhen 300 Index	-1.86%	-7.00%	-11.38%	-11.38%	-

## Performance Chart and Allocation



## Market & Portfolio Comments

### Portfolio review and outlook:

EQ: Against the backdrop of improving overseas liquidity conditions, the A-share market experienced a significant decline in December, indicating an extremely pessimistic market outlook regarding economic fundamentals. We maintain a low macro exposure in our portfolio, reflecting our cautious stance. However, we still believe that many high-quality stocks offer substantial potential returns. We will continue to maintain a relatively high equity position, focusing on individual alpha in stock selection and moderately reducing the portfolio's exposure to the macroeconomy. Structurally, we will increase the allocation to high-dividend assets and consider adding positions that are less affected by the real estate cycle.

# Generali China - Unit Linked Growth



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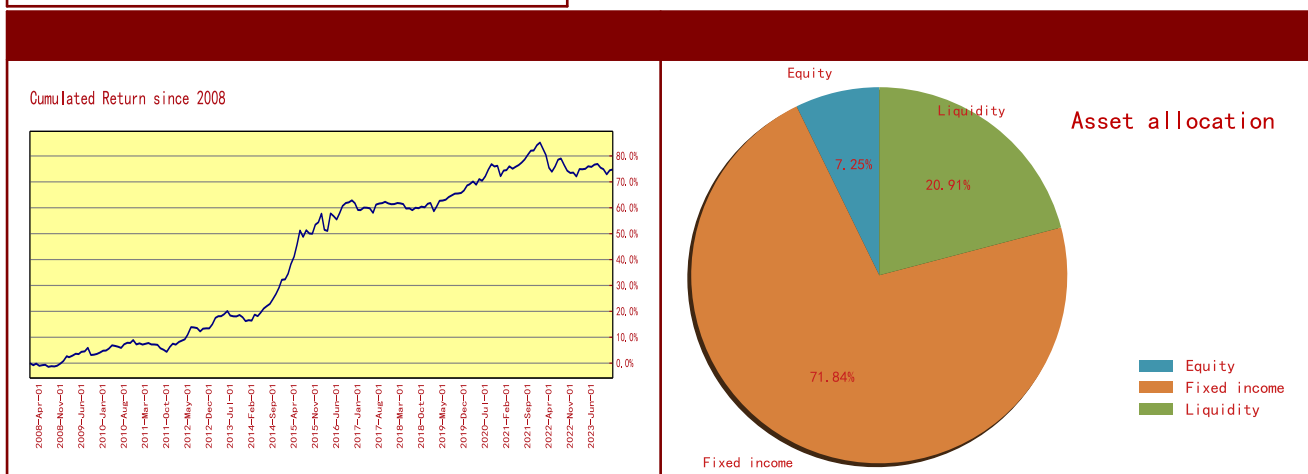
## Fund Description

Fund Name	Stable	Investment Objective
Launch Date	2004/09/30	
Currency	RMB	Investment Scope
Management Fee	1.25% per year	
Latest Price(2023/12/31)	Target Clients	
Price	2.3800	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	0.19%	-0.07%	1.56%	1.56%	131.20%
Shanghai T-bond Index	0.38%	0.78%	3.79%	3.79%	-
Shanghai & Shenzhen 300 Index	-1.86%	-7.00%	-11.38%	-11.38%	-

## Performance Chart and Allocation



## Market & Portfolio Comments

### Portfolio review and outlook:

The market was still sluggish in December, but in this year, the interest rate of five-year fixed deposits has dropped from 2.65% to 2%, the five-year LPR has dropped from 4.3% to 4.2%, and the interest rate of 10-year treasury bond bonds in the United States has dropped from a high point of 5% in the year to 3.9%. As the "gravity" of the equity market, the interest rate has declined, but the stock has fallen ceaselessly, and the equity market has become increasingly attractive. Continue to be optimistic about general electronics, general equipment, and consumer electronics, machinery, and pharmaceuticals in the new product cycle with a positive inventory cycle.