智盈 多元资产绝对收益策略
Plutus Multi-Asset Absolute Return Strategy (MARS)

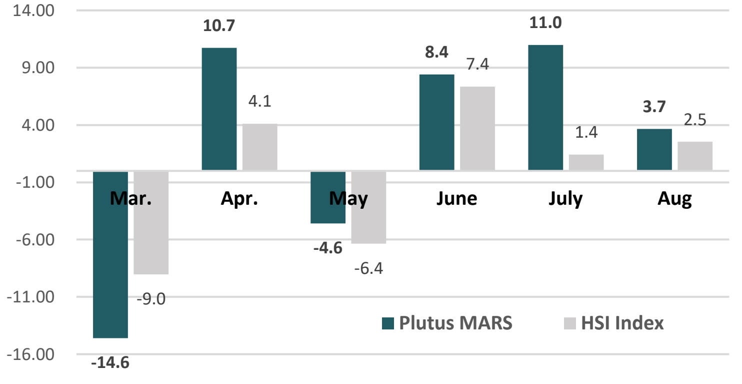
SERESIA

Key Features

Plutus MARS seeks to achieve positive return regardless of the prevailing market conditions. We constantly make strategic and tactical adjustments in our China centric multi-asset (stock, bond, currency, and commodity) portfolio depending on our assessment of different economic/industry cycles and liquidity condition.

Performance History (%) (Month End as of 31/08/2020)

	1M	3M	6M	1Y	2Y	YTD	Since Inception
Net Asset Value*	3.7	24.7	12.6	-	-	14.0	26.5
Hang Seng TR Index	2.5	11.6	-1.0	-	-	-8.0	-0.6



** Fund expenses, including management fees and other expenses are deduced.*
Source： Seresia Asset Management, DBS Bank

August 2020 Review

Hang Seng Index gained 2.5% last month despite rising US-China tensions. Politics aside, investors were also busy digesting the 2Q/1H20 corporate results and awaited the FED's Monetary Policy Framework Review at the Jackson Hole Policy Symposium. At the same time, the July China activity data showed signs that the V-shaped recovery in 2Q20 may be losing steam. IP growth has stalled and retail sales data show below-trend growth in many sectors. Together with the rising SHIBORs and not-too-robust public spending in recent months, there was an emerging concern that a deceleration in policy support could pose downside risk on China's economic recovery. With reduced risk appetite and uncertain short-term market outlook, investors turned their focus on stock/sector specific drivers. As a result, performance diverged with a narrowing market breath.

While Financials and Value have lagged last month, selected Industrial and Consumer Cyclical stocks have done well. The inclusions of new big-Tech constituent stocks in Hang Seng Index and the launch of the new Hang Seng Tech Index have driven selected domestic tech and e-commerce stocks whereas most tech hardware stocks with global revenue struggled. Since we have tiled towards Financials and Value/Cyclicals and were rather neutral on Tech/e-Commerce names, we only managed to outperformed the HSI by 1.1% in August.

Key Facts

Inception Date	14/10/2019
Management Company	Seresia Asset Management
Portfolio Manager	Nick Law
Base Currency	US Dollar
Management Fee	1.0%
Performance Fee	10%
Benchmark	Hang Seng Total Return Index
Asset Class	Multi-Asset
Domicile	Cayman Island
Custodian	DBS Bank Ltd.

Monthly NAV Changes (%)

Oct*	Nov	Dec	Jan	Feb	Mar
0.3	0.9	9.6	-1.9	3.2	-14.6
Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**
10.7	-4.6	8.4	11.0	3.7	-

Monthly NAV Changes vs HSTRI (%)

Oct*	Nov	Dec	Jan	Feb	Mar
-2.0	2.8	2.0	4.6	3.9	-5.6
Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**
6.6	1.8	1.1	9.6	1.1	-

Quarterly NAV Changes vs HSTRI (%)

4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
2.9	2.0	9.9	-	-	-
2Q21	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**
-	-	-	-	-	-

as of 31/08/2020
Source： Seresia Asset Management, DBS Bank
** Since inception on 14 October 2019*

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Investment Outlook

The adoption of 'Average Inflation Targeting' (ATI) by the FED was generally interpreted as a new framework that could generate a lower funds rate path in the coming months/quarters. While the long-term implications have yet to be known, investors have quickly jumped to the conclusions of a more prolonged accommodative FED policy and a weaker US$. While we are sceptical of such a simplistic view, investors could increase risk appetite if they interpret the new monetary policy framework in such a dovish matter. In the short term, we will closely monitor the reactions to US/global yield curves.

Back in China, we believe the concerns over monetary policy tapering are premature and the recent rounds of incremental liquidity injections could help to alleviate the credit tightening concern. Meanwhile, Caixin and official manufacturing PMIs in August continued to point to an increase in factory and exports activities; and business sentiment have also strengthened. We believe fiscal spending is poised to accelerate modestly and there are enough pent-up consumer demand to sustain the domestic recovery in the coming months.

We maintain that Chinese equities and yuan are cyclically undervalued. The increase participation of Southbound inflows into the Hong Kong market would continue to be a sustained positive driver ahead. Recent evidences in economic and earning recovery have encouraged global investors to revisit Chinese equities and we see further valuation upsides ahead. Once the US-China tension eases, we shall see the return of inflows from global China-focused funds.

Sector-wise, we are overweighting large-cap Financials and selected Value/Cyclical counters. We have also increased exposures on selected HK blue chips as they are now offering some excellent long-term value. Looking ahead, we could cut growth-oriented Tech leaders further to a small underweighting position 'if' global bond yields start to climb.

Top-10 Holdings	Weighting
Tencent Holding	7.56%
Alibaba Group	6.44%
PetroChina - H	6.30%
HSBC Holding	5.78%
CITIC Securities - H	5.70%
Ping An Insurance - H	5.29%
China Life Insurance – H	5.11%
AIA Group	4.55%
China Merchants Bank - H	4.48%
China Tower	4.43%
TOTAL	**55.63%**

**as of 31/08/2020*
Source： Seresia Asset Management, DBS Bank

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