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

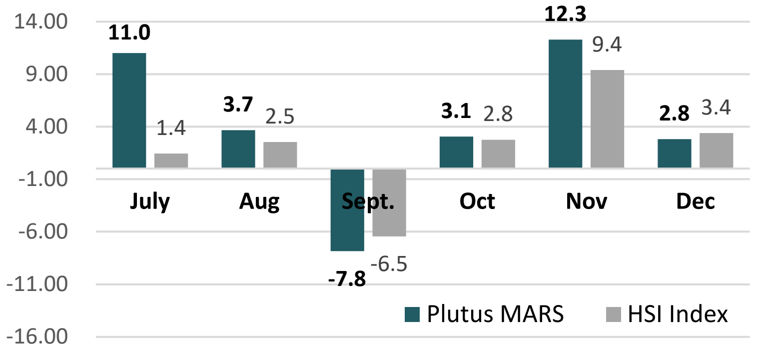
SERESIA

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 31/12/2020)

	1M	3M	6M	1Y	2Y	YTD**	Since Inception
Fund NAV	2.8	19.0	26.1	25.0	-	25.0	38.7
Hang Seng Index	3.4	16.2	13.1	0.0	-	0.0	8.1



** Since inception on 14 October 2019*
***Fund expenses, including management fees and other expenses are deduced.*
Source : Seresia Asset Management, DBS Bank

Dec 2020 Review

Hang Seng Index gained 3.4% in Dec and the mild rally was led by Consumer, Tech Hardware, selected Healthcare and non-bank Financial stocks. Credit stocks were affected by policy tightening whereas the government looked to impose more pro-competition regulations in e-commerce, fin-tech, and insurance sectors. As the holiday season approached, domestic investors were less focused on the positive dynamics of US and/or A-share markets. Nevertheless, market liquidity condition remained favorable as Dec Northbound and Southbound both reported the steady inflows. After 6 months of strong rally, Rmb appreciation against $ has been stalled in recent weeks but we expect a renewed short-term strength into the new year.

We managed to underperform slightly last month as we have overweighed Energy and Financials, which have done little since late November despite their improving fundamental outlook. It seemed that investors were still fixating on past winners in 2020 and have yet to reposition themselves for the next phase of the post-COVID recovery trades. We are confident that there are still plenty of value to be uncovered in this cyclically under-appreciated market. Once the new year has commenced, investors can be more forward-looking towards many Value/Cyclicals/Financial stocks, even if their re-rating or repricing catalysts may not be immediately available.

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 (%)

Jan	Feb	Mar	Apr	May	Jun
-1.9	3.2	-14.6	10.7	-4.6	8.4
Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
11.0	3.7	-7.8	3.1	12.3	2.8

Monthly NAV Changes vs HSTRI (%)

Jan	Feb	Mar	Apr	May	Jun
4.6	3.9	-5.6	6.6	1.8	1.1
Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
9.6	1.1	-1.4	0.3	2.9	-0.6

Quarterly NAV Changes vs HSTRI (%)

4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
2.9	2.0	9.9	8.7	2.8	-
2Q21	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**
-	-	-	-	-	-

as of 31/12/2020
Source : Seresia Asset Management, DBS Bank
** Since inception on 14 October 2019*

注意：本Factsheet只适用于专业投资者及经许可者，任何人未经许可不得进一步分发

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Investment Outlook

In 2020, China has proved to the world its economic resiliency in the face of this global COVID-19 outbreak. We also praise policy makers' commitments on on-going reforms and their efforts to deal with structural imbalances in the Chinese economy while they smoothly handled the cyclical headwind caused by the health crisis and the resulted lockdowns. We are turning more positive towards the long-term productivity and earnings outlook for Corporate China. If this global recovery continues steadily ahead, it will bode well for a re-rating of Chinese equities in 2021.

As China's economic conditions in the past 6 months have improved significantly, policy normalization seems to have commenced earlier than expected. While we remain constructive with the outlook for Chinese equities, recent sharp flattening yield curve and incremental policy tapering could pose some near-term growth risk. Thus, we do not rule out the potential of a new round of macro stimulus later this quarter to prevent growth deceleration caused by the pre-matured policy tapering in 2H20.

Since Nov, there were emerging signs that factor/style and sector/industry rotations towards post-COVID recovery trades have accelerated somewhat. But we were not convinced that we had reached a point to abandon our barbell-approach in overweighting big-cap Financial and Technology leaders. However, the beginning of vaccination around the world in 1Q21 will gradually reduce the risk of future wave(s) of outbreaks. Besides, we believe the global bond markets are cyclically very mispriced for future inflation risk and global (esp. DM countries) yield curves could start to steepen shortly. This will impose material valuation pressure on long-duration growth stocks.

Looking ahead into Jan/Feb, we will increase the pace of reducing our Growth/Tech stocks exposure in favour for more under-appreciated Value/Financial/Cyclical stocks. Later this quarter, we would also add positions strategically on the long-term winners of the new China's 14th Five-Year Plan and other reform initiatives by the Chinese government.

Top-10 Holdings	Weighting
Tencent Holdings	9.16%
Alibaba Group	9.06%
PetroChina – H	6.23%
Hong Kong Exchanges	5.80%
SMIC – H	5.74%
China Construction Bank – H	5.55%
CSOP HS Tech Index ETF	4.89%
CITIC Securities -H	4.88%
AIA Group	4.32%
Ping An Insurance – H	4.32%
TOTAL	**59.94%**

**as of 31/12/2020*
Source： Seresia Asset Management, DBS Bank

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