

智盈 多元资产绝对收益策略

Plutus Multi-Asset Absolute Return Strategy (MARS)

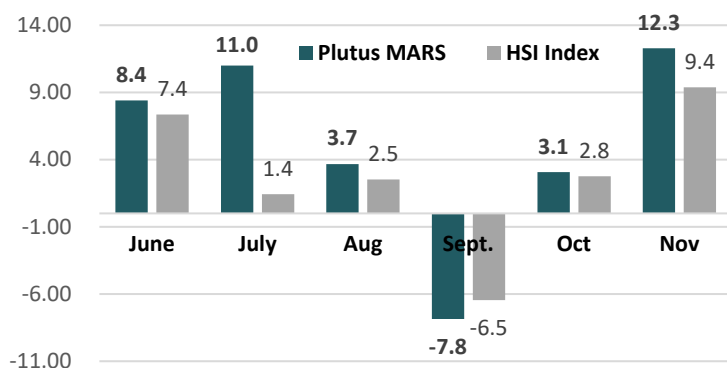


Key Features

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 30/11/2020)

	1M	3M	6M	1Y	2Y	YTD	Since Inception
Net Asset Value*	12.3	6.6	33.0	33.2	-	21.6	34.9
Hang Seng TR Index	9.4	5.2	17.4	4.0	-	-3.3	4.5



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

Nov 2020 Review

Hang Seng Index gained 9.4% last month amid the conclusion of the US Presidential Election, positive vaccine developments, as well as supportive Chinese macro data. The forthcoming Biden Presidency may have also triggered some incremental reduction of 'President Trump's discount' that have imposed on Chinese equities for almost 2 years. Moreover, market liquidity condition remain favorable as November Northbound and Southbound both reported the best inflows for months. Thus, the executive order signed by President Trump to ban US investors on investing in military-tied Chinese companies only managed to slow the stock market rally a little.

We managed to outperform last month as we have overweighted Energy, Material, and Bank/Insurance ahead of the market rally in early November as Technology stocks' performance stalled in recent weeks. Although investors have continued to price into this post-COVID recovery trade, there are still plenty of value to be uncover in this cyclically under-appreciated market, particular among offshore China stock universe. In the past few months, Rmb appreciation has also gained further upward momentum amid on-going positive macro data releases. In addition to the robust industrial profit recovery, PMI also suggested continued recovery along with strong exports, solid domestic activities, and lower CPI inflation.

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 (%)

Dec	Jan	Feb	Mar	Apr	May
9.6	-1.9	3.2	-14.6	10.7	-4.6
Jun	Jul	Aug	Sep	Oct	Nov
8.4	11.0	3.7	-7.8	3.1	12.3

Monthly NAV Changes vs HSTRI (%)

Dec	Jan	Feb	Mar	Apr	May
2.0	4.6	3.9	-5.6	6.6	1.8
Jun	Jul	Aug	Sep	Oct	Nov
1.1	9.6	1.1	-1.4	0.3	2.9

Quarterly NAV Changes vs HSTRI (%)

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

as of 30/11/2020

Source: Seresia Asset Management, DBS Bank

* Since inception on 14 October 2019

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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 into the new year. This will impose 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.

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Top-10 Holdings	Weighting
Tencent Holdings	7.52%
Alibaba Group	6.46%
PetroChina – H	5.94%
China Construction Bank – H	5.89%
Xiaomi Co.	5.13%
CITIC Securities – H	5.01%
Hong Kong Exchanges	4.89%
Ping An Insurance - H	4.86%
CSOP HS Tech Index ETF	4.81%
SMIC – H	4.55%
TOTAL	55.05%

**as of 30/11/2020*

Source: Seresia Asset Management, DBS Bank