

智盈 多元资产绝对收益策略

Plutus Multi-Asset Absolute Return Strategy (MARS)

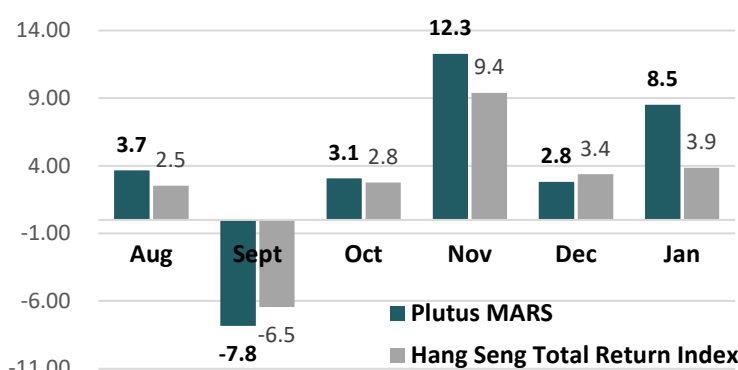


Key Features

Plutus MARS seeks to achieve positive long-term 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 31/01/2021)

	1M	3M	6M	1Y	2Y	YTD	Since Inception
Net Asset Value*	8.5	25.2	23.3	38.2	-	8.5	50.5
Hang Seng TR Index	3.9	17.4	15.8	10.9	-	3.9	12.2



* Fund expenses, including management fees and other expenses are deducted.

Source: Seresia Asset Management, DBS Bank

Jan 2021 Review

After gaining 16% in 4Q20, Hang Seng Index climbed another 3.9% in Jan amid the very strong liquidity inflows, the optimistic 2021 growth outlook, and a general increase in risk appetite for Chinese equities into the New Year. Technology, Consumer, Auto, and BioPharm growth stocks continued to outperform the boarder market. January also saw the strongest Southbound inflows ever at around US\$10bn/week on average. In addition to the ample liquidity from HK Connect, we expect global portfolio inflows into Asia/China stock markets to pick up gradually in the coming months as the post-vaccination recovery will be gaining further momentum.

Rmb/US\$ was range-bounded last month but we expect Rmb to appreciate a little further against the US\$ into Feb given the big real rate differentials and relatively more favourable China growth outlook.

We managed to outperform by a decent 4.7% in Jan. as our barbell-overweighting in under-appreciated big-cap Financial/Value stocks and reasonably priced mega-cap Technology stocks have paid dividends. While we would retain this delicated investment approach for now, the infection point is close by as large-scale vaccination will eventually shift the market dynamic. We will gradually be leaning on a more pro-cyclical and value-oriented approach of portfolio construction ahead.

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 (%)

Feb	Mar	Apr	May	Jun	Jul
3.2	-14.6	10.7	-4.6	8.4	11.0
Aug	Sep	Oct	Nov	Dec	Jan
3.7	-7.8	3.1	12.3	2.8	8.5

Monthly NAV Changes vs to HSTRI (%)

Feb	Mar	Apr	May	Jun	Jul
3.9	-5.6	6.6	1.8	1.1	9.6
Aug	Sep	Oct	Nov	Dec	Jan
1.1	-1.4	0.3	2.9	-0.6	4.7

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 31/01/2021

Source: Seresia Asset Management, DBS Bank

* Since inception on 14 October 2019

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Investment Outlook

China real GDP has retracted back to its Pre-COVID level last Nov and the 6.5% YoY real GDP growth in Q4 was remarkable. While exports and manufacturing were the key driving forces behind this V-shaped recovery in China, the recovery in retail sales and fixed asset investment remained somewhat sluggish. Moreover, the increase in virus cases in January also increase uncertainties to the recovery path as multiple provinces in China has reported tightened restrictions on travel and group gathering.

We remain constructive towards the full-year outlook for Chinese equities. More importantly, we believe the duration of this economic expansion could surprise on the upside as policy makers have drawn plans to drive technology and consumption upgrades in order to achieve a more balanced and sustainable growth over the long-term.

However, the mild credit growth deceleration since 3Q 2020 could pose some short-term risk on sequential growth in China at least in first few months of this year. We are also sceptical on the overly optimistic 2021 consensus China real GDP growth rate. The normalization of monetary policy and news on increased virus cases in multiple provinces have caused rising expectations of policy loosening very recently. But we believe the next round of macro stimulus is unlikely to come before the Two Sessions parliamentary meetings in March. In the absence of positive earnings revision trend, near term valuation upsides may rely mostly on liquidity inflows and that could make the stock market rally vulnerable to any renewed growth scare.

Looking forward, we are likely to take the opportunities of the near-term market strength to trim some over-owned stocks in Information Technology and Communication Services in favour of under-appreciated Energy, Real Estate, and Capital Goods – the worst performing counters in 2020. We even see good long-term value on selected defensive Chinese Utilities and Telecom stocks. Finally, we also look to add Leisure and Aviation stocks in Feb/Mar once we have better understanding on the effectiveness of vaccination and their impacts on cross-border travelling.

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Top-10 Holdings	Weighting
HSBC Holding	7.84%
PetroChina - H	7.45%
Tencent Holding	6.93%
China Construction Bank – H	6.33%
Alibaba Group	5.91%
Ping An Insurance - H	5.46%
China Life Insurance – H	4.92%
AIA Group	3.93%
China Tower	3.69%
Xiaomi Co.	3.49%
TOTAL	55.95%

*as of 31/01/2021

Source : Seresia Asset Management, DBS Bank