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

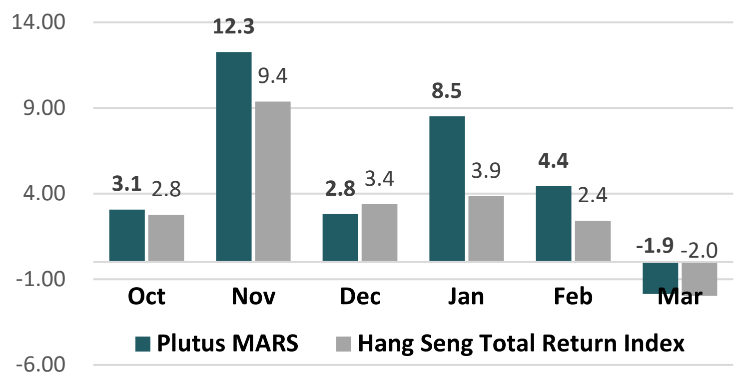
SERESIA

Key Features

Plutus MARS seeks to achieve positive 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 31/03/2021)

	1M	3M	6M	1Y	2Y	YTD	Since Inception
Net Asset Value*	-1.9	11.2	32.3	60.7	-	11.2	54.2
Hang Seng TR Index	-2.0	4.3	21.2	23.3	-	4.3	12.7



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

Mar 2021 Review

Hang Seng Index dropped -2.1% in March as investors' optimism for a strong 2021 economic recovery was replaced by the concern over a weak A-share market and the valuation risk for equities amid the rising global long bond yields. Technology and other long-duration growth stocks were under pressure again last month. March also saw the largest monthly Southbound outflows over the past few years.

While this global/US recovery is likely to lift the US 10-year treasury bond yield to well above 2% next year, we believe the concern over a short-term increase in inflation was over-priced into the US yield curve. Thus, we have started to rebuild positions in Technology blue-chips since mid-March as we had underweighted the counter in Jan/Feb. But the market volatility triggered by the fallout of Archegos Capital Management and the resulted temporary shocks on Chinese stocks have dragged our performance in late March. Hence, we only outperformed the Hang Seng Total Return Index by 0.1% last month. Nevertheless, we still managed to outperform our benchmark by 6.9% last quarter and have made use of the recent sell-off to pick up some over-sold growth stocks. Thus, we have moved back to an overweight position in the Technology sector at the expensive of Financial and Cyclical exposures, given the recent drops in China long bond yields and the PBoC's less accommodative liquidity management stance.

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 (%)

Apr	May	Jun	Jul	Aug	Sep
10.7	-4.6	8.4	11.0	3.7	-7.8
Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
3.1	12.3	2.8	8.5	4.4	-1.9

Monthly NAV Changes vs HSTRI (%)

Apr	May	Jun	Jul	Aug	Sep
6.6	1.8	1.1	9.6	1.1	-1.4
Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
0.3	2.9	-0.6	4.7	2.0	0.1

Quarterly NAV Changes vs HSTRI (%)

4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
2.9	2.0	9.9	8.7	2.8	6.9
2Q21	**3Q21**	**4Q21**	**1Q22**	**2Q22**	**3Q22**
-	-	-	-	-	-

as of 31/03/2021
Source : Seresia Asset Management, DBS Bank
** Since inception on 14 October 2019*

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Investment Outlook

Our base case for a robust global recovery remains unchanged for 2021 and beyond. But we worry that the renewed pandemic lockdowns in some European countries as well as a potential US Spring Break-related COVID-19 surge could slow the pace of this global recovery in early Summer. Even though major central banks' stimulus that are still in place, we are just not vaccinating the world quick enough to end lockdowns and other social distancing measures, which is necessary for a smooth recovery. So we believe investors may have worried about inflation risk prematurely, and the surge in commodities prices in recent months are likely to lead to margin squeeze to manufacturers and downstream companies with limited upward pressure on consumer prices in this early stage of the new business cycle.

The relative underperformance of Chinese equities since 4Q20 have much to do with China's more disciplined approach to support the post-pandemic recovery. Since China's GDP have returned to pre-recession level last Nov, policy makers have shifted away from counter-cyclical policies to longer term initiatives to 1) upgrade the country's IT infrastructure; 2) drive manufacturing and services sectors' automation and upgrades; 3) promote and balance domestic consumption growth; and 4) open up more industries for foreign investments. These policies should bode well for a productivity boost for the Chinese economy as well as achieving a more balanced and sustainable growth.

Given the small decline in MSCI China earning integer since Nov, earnings growth should still be regarded as a scare commodity. Unless US long bond yields keep rising ahead, we don't expect growth stocks premium to fall further in 2Q21. We have added exposures on selective reasonably-priced and highly-profitable Tech leaders after the recent sell-off. Among cyclicals, we see opportunities on under-appreciated Real Estate and Non-Bank Financials over more crowded bets on Materials, Transports, and Consumer stocks. Finally, we also like Precious Metals after the sharp retracements over the past 7 months; and the secular downturn in USD should resume once investors refocus back on the structural dollar surplus and the super US fiscal debt cycle.

Top-10 Holdings	Weighting
Tencent Holding	7.82%
Alibaba Group	7.05%
Xiaomi Co.	6.30%
AIA Group	6.05%
Hong Kong Exchanges & Clearing	5.33%
CSOP HS Tech Index ETF	5.21%
CITIC Securities – H	5.01%
Ping An Insurance – H	4.86%
CSOP A50 ETF	4.69%
SMIC – H	4.32%
TOTAL	**56.64%**

**as of 31/03/2021*
Source： Seresia Asset Management, DBS Bank

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