

Fund Manager Perspective

The overall market performance in March was strikingly good, with all major indices trending upward. The SSE Composite Index rose 13.22%, the Shenzhen Component index rose 11.93% and the ChiNext index rose 21.12%, intensifying the bull market atmosphere.

All industries in the A-share market performed well, especially small-cap sectors such as computers and leisure services, which gained over 25%. Construction & decorations, electrical equipment, and textiles also went up over 20%.

Looking back at the general market conditions in March, investors are still bullish on stocks. From the policy perspective, the first quarter economic activity seem to be right on track with the government growth target set for this year. We believe in April and the second quarter, the government's stable growth policy will come into full effect, with the bailout policies for the real estate market of March setting the tone for April's policy direction. In the monetary policy front, the central bank will continue to provide sufficient liquidity. Although the market has been up for 3 consecutive quarters and valuations are facing a certain amount of pressure, there is still room for the big-cap, small-cap, and ChiNext indices to grow due to support from fiscal and monetary stimulus policies.

Overall, we hold an optimistic view on the April market, and we will continue to focus on growth industries with stable outlooks and those that will benefit from economic reform. Our main investment strategy will still be finding high-quality growth stocks and taking full advantage of bull market conditions.