

Annual Review and Outlook by Xinwei Hu, PM of Consumer Sector Fund

From 2022 Annual Report

Looking ahead to 2023, we believe that the external environment faced by China's capital markets will somehow be better compared with that of 2022. On the one hand, with the optimization and adjustment of domestic COVID-19 epidemic prevention and control policies, the Chinese economy will show greater vitality, especially when the trend of domestic consumption recovery is rather clear. On the other hand, it is expected that the inflation in major overseas economies will gradually top out and interest rate increases will enter the later half of stage, thus the negative impact on global capital markets is marginally decreasing. In a longer time dimension, we believe that China's economy still has significant potential for growth, and the trend of domestic consumption upgrade will also drive constant and solid growth in China's consumer sector. Therefore, we are relatively bullish on the performance of China's capital markets in 2023.

As always, with strong confidence and continuous patience, we will assume our diligent responsibility, continue to invest in high-quality companies that can benefit from China's economic growth and consumption upgrade as a focus, and we will pay less attention to short-term fluctuations and concentrate more on the medium and long-term growth. We will accompany high-quality companies with excellent structure and outstanding management, and share the fruits of economic development and company growth.