

Annual Review and Outlook by Jienan Lao, PM of Value Selected Fund

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With the adjustment of domestic COVID-19 pandemic control measures and some changes in people's attitudes toward real estate, we can see that the emphasis on domestic economic development has been raised to an unprecedented level. The Central Economic Work Conference also highlighted the importance of "stabilizing growth, stabilizing employment and stabilizing prices". Special attention must be paid to assets with a high correlation to economic recovery, especially consumer and pharmaceutical assets that benefit from the post-epidemic recovery. In terms of different national conditions in different countries, the domestic economic recovery has prominent advantages compared with that of overseas countries, and the return of foreign investment also deserves special attention. On the other hand, it can be found through various signs that the world is evolving into a new order featuring "limited globalization". In this context, independent control and safe development will become the new themes of the era. From the perspective of investment, people need to take the industrial development space, the sustainability of individual stock growth, valuation and other perspectives into account while selecting individual stocks. From the perspective of the cycle reversals, companies in sub-sectors of the chemical industry, analog chip, micro-controlled chip and memory industries need to track the prosperity level changes and grasp the opportunities to bottom out and rise. From the perspective of profit trends in fundamentals, energy storage-related companies in the new energy industry are still the key beneficiaries. The research about the progress of new technology-related companies, such as those engaging in new photovoltaic technology, new technology batteries, etc., is also worthy of attention in the new year. Furthermore, companies with different value types that are in an all-time low valuation are also the targets that our Fund will actively research.