

## Rosefinch Research | 2023 Series # 3

## Welcome to the Year of Rabbit



In the Chinese calendar, last year was the Year of Tiger. The King of Jungle certainly brought with it lots of volatilities: pandemic, Ukraine war, global rate hikes, market gyrations, geopolitical tensions. The only thing certain about Year of Tiger was the uncertainties that hung over the markets. As we approach the end of the Tiger, Northbound funds rushed into the onshore A-shares with over 100 billion RMB of purchases in Jan alone, exceeding the full year net purchases in 2022. As more supportive policies roll out, economic confidence recovers, the end of the asset freezing winter is near, and the curtain is finally raising on the start of the pivot.

In this volatile market, we anchored our views on the valuations of the great companies we invest in. Even during the extreme emotional swings, we spoke the voice of reason that rings true even in the darkest times. As we enter the post-pandemic phase, global stagflation recovery may slow, but there are still plenty of good news for China, the manufacturing giant. Sectors like digital economy or New Energy are shining through the clouds of uncertainty. At Rosefinch, we continue to grow our capabilities and experiences, so that we can continuously create value for you.

## Not Just Value, But Also Return

According to Haitong Securities' 2022 Mutual Fund company rankings, Rosefinch's mutual fund products returned 50.76% in the last three years, at the top 1/3 of the equity mutual fund space. In addition, Rosefinch also published almost 100 articles that encouraged caution during market exuberance, and rekindled confidence during periods of pessimism.



Source: Rosefinch. This is a daily chart of CSI800, and the publication dates of Rosefinch research pieces.

### Capability Ahead of AUM and Drill Deeper into Industrial Chain Research

Because Rosefinch wants to develop a sustainable and consistent investment platform for you, we intentionally reduced role of “star manager” in the investment process. Instead, we created six Industrial Research teams to collectively recommend stocks that withstand the entire team’s cross-examinations. Only the best ideas are put forth into the Core Stock Pool, where all investments are made from. With over 40 analysts, many of whom had industry experiences and are considered experts in their respective fields, we have a strong research team. Half of them focus on industries related to Carbon-Neutrality and the 3060 theme.



### Asset Manager as well as Responsible Citizen

Rosefinch is registered in Shaanxi province and has been active in the local philanthropy. During the pandemic, Rosefinch made over 1 million RMB donations to the Red Cross of Xi'an. Our staff also actively volunteered for neighborhood logistic teams to ensure orderly distribution of essential goods and medicine during the lock-down periods. Rosefinch also was a corporate sponsor for the 14<sup>th</sup> National Athletic Games in Shaanxi, further supporting the local economy.

In August 2022, Rosefinch signed on the UNPRI and will be actively promoting ESG values in our investment process. Already, ESG filtering is adapted in our investment decisions. Our current portfolio of companies has satisfactory ESG ratings. Going forward, we will be active asset owners in support of long-term quality growth of the companies we invest in.



As we bid farewell to the Year of Tiger, we thank you for your support and encouragement. Our entire Rosefinch team wants to wish you a very happy and healthy Year of Rabbit ahead!

**We hope that by sharing Rosefinch's views, we add value to your day.**

*We endeavor to provide timely English version of Rosefinch's publications. For any English translation of the original Chinese article, in case of any discrepancy, the Chinese version takes precedence.*

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