

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Oct 2020



Important Information

The Fund may invest in listed companies that derive a significant portion of their revenues from goods produced or sold, investments made or services performed in the Greater China region, which includes the People's Republic of China, the Hong Kong & Macau Special Administrative Regions and Taiwan.

The Fund may invest in the Greater China securities markets, which are emerging markets. As such, the Fund may involve a higher degree of risk and is usually more sensitive to price movements.

The value of the Fund can be volatile and could go down substantially within a short period of time.

The investment decision is yours. You should not invest unless the intermediary who sells this Fund to you has advised you that this Fund is suitable for you and has explained why, including how investing in it would be consistent with your investment objectives.

Investors should not make investment decisions based on this material alone. Please refer to the explanatory memorandum, including the risk factors involved.

The Manager may at its discretion pay dividends out of or effectively out of the capital of the Sub-Fund. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund.

Investment Objective

To achieve medium- to long-term capital appreciation by investing in listed companies which are domiciled in or have operating incomes from the Greater China region (Mainland China, Hong Kong, Macau and Taiwan).

Fund Performance

	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ²
The Fund (%)	-61.96	99.44	12.15	-33.37	18.42	12.02	1.37	-6.99	-8.66	27.53	-16.33	13.85	28.80
Hang Seng Total Return Index (%)	-46.40	56.65	8.57	-17.38	27.46	6.55	5.48	-3.92	4.30	41.29	-10.54	13.04	-11.82

1 Calculated since 1 Jan 2008

2 Measured as of 31 Oct 2020

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	3.58	8.36	31.59	28.80	31.18	29.98	43.50
Hang Seng Total Return Index (%)	2.79	-1.38	0.73	-11.82	-7.50	-5.44	27.36

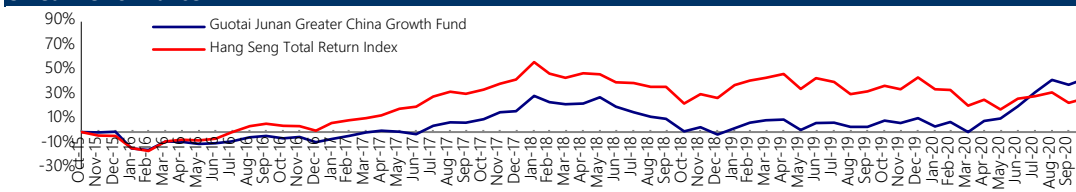
Last update: 31 Oct 2020

The performance is measured in NAV-to-NAV in fund currency with net income re-investment

Fund Facts

Manager Guotai Junan Assets (Asia) Limited
Inception Date 19 Nov 2007
Domicile Hong Kong
Trustee & Registrar HSBC Institutional Trust Services (Asia) Limited
Auditor Ernst & Young Limited
Dealing Frequency Daily
Base Currency Hong Kong Dollar
NAV HKD 114.43
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Oct 2020

The performance is measured in NAV-to-NAV in fund currency with net income re-investment

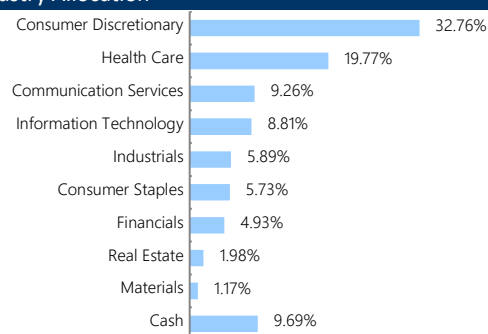
Subscription and Redemption

Min. Initial Subscription HKD 10,000
Subscription Fee Up to 5%
Annual Management Fee 1.5% p.a.
Redemption Fee*
 Less than 6 mths 1%
 6 mths or more but less than 12 mths 0.75%
 12 mths or more but less than 18 mths 0.50%
 18 mths or more but less than 24 mths 0.25%
 24 mths or more Waived
 * Redemption fee will be waived for investors who subscribed through nominee account.

Top Ten Holdings

	%
Tencent Holdings Ltd.	9.26
Meituan Dianping	9.04
Wuxi Biologics Cayman Inc	8.88
Alibaba Group Holding Ltd	7.04
Li Ning Co. Ltd.	4.82
Byd Co. Ltd	3.72
Wuxi Apptec Co Ltd	3.34
China Merchants Bank Co. Ltd	2.92
Shandong Weigao Group Medical	2.89
Country Garden Services Holdings	2.82

Industry Allocation⁴

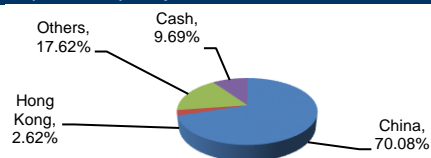


4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

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Exposure by Major Revenue Source³



3. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

Dividend Distribution History (Since Launch)

Record Date	Distribution Per Unit	Fund Price On Record Date
30-Jun-15	HKD 3.03	HKD 100.9

Market Outlook and Investment Strategy

Uncertainties persisted in US equity market. In October, the S&P 500 corrected by 2.77%, the Dow slid by 4.61%, and the Nasdaq Composite tumbled 2.29%, respectively. Investors' enthusiasm faded as the pace of recovering slowed while the number of new covid-19 cases continued to rise. Germany and France announced new national lockdowns, saying they have lost control of the coronavirus. The announcements came as governments across Europe struggle to contain a second wave of the virus in colder weather, even after the relative success of strict lockdown restrictions in the spring. The action arouse the concerns on global recovery, as the near term wide use of vaccine seemed less possible. The market also worried the huge uncertainty on the US president election. The tight voting results would made investors to keep only light positions before the stalemate become clearer. Considering the Sino-US geopolitical uncertainty and potential risks of the third wave COVID-19 which might mitigate the recovery of global economy, we tend to be cautious towards the current market condition. In this case, we will keep our positions flexible to reduce political risk and to capture potential investment opportunities.

China reported rather strong data. The official manufacturing PMI in October remained in expansion territory reading at 51.4, while the Caixin manufacturing PMI climbed up to 53.6. CPI growth rate dropped further to 1.7%, missing the consensus of 1.8%, mainly due to slowdown in prices of food. For onshore equity market, the CSI300 Index increased 2.35% MTD to 4,695.33 as of 30 October 2020.

As for our investment strategy for Hong Kong/China market, we are still cautiously optimistic on the market for the rest of 2020, although the COVID-19 pandemic arouse concerns on the global economy. We favor domestic Chinese demand-oriented names, since the situation in China has been under control and economic activities have almost resumed back to normal. Hong Kong names will likely be under pressure due to the political dilemma and the perennial COVID-19 new cases. We think leading sectors, such as consumers, information technology, and pharmaceuticals, will deliver satisfied full-year results thanks to the strong demand. Meanwhile, we believe the fundamental will act as the major driver of market direction in long term, and we will keep flexible cash level to benefit from temporary sell-off opportunities.

For Taiwan, the Markit Taiwan Manufacturing PMI inched down to 55.1 in October 2020 from September's two-and-a-half-year high of 55.2, but still signaling a further sharp improvement in business conditions. Output grew the most since December 2016, driven by greater inflows of new work and the resumption of projects that had been delayed due to the pandemic. Although geopolitical concerns may cast some uncertainties over the development of the region in short term, we are optimistic with Taiwanese market in long term. Given TSMC has gained dominance in the next generation semiconductor technology against Samsung and Intel, the global demand for 5G technology, high performance computing, and data centers would be even stronger post the pandemic. Consequently, this will benefit the whole Taiwan tech supply chain and the tech dominated TAIEX Index.

Disclaimer

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Investment involves risk. The prices of units may go up as well as down. Past performance is not indicative of future performance. Please refer to the Explanatory Memorandum for details including risk factors.

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