

# Guotai Junan Greater China Growth Fund

"Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Nov 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 <sup>1</sup>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>2</sup>
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	32.42
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	-3.56

<sup>1</sup> Calculated since 1 Jan 2008

<sup>2</sup> Measured as of 30 Nov 2020

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.81	3.50	32.91	32.42	37.61	27.12	48.03
Hang Seng Total Return Index (%)	9.38	5.19	17.59	-3.56	3.21	0.02	43.20

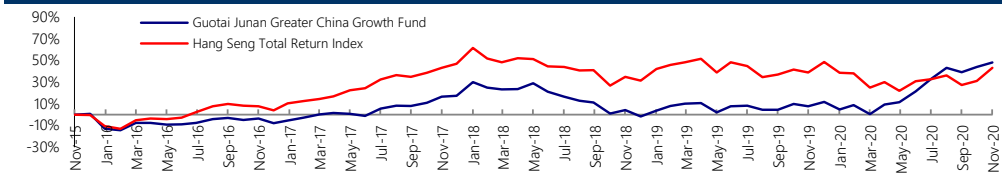
Last update: 30 Nov 2020

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 117.64  
**Bloomberg Code** GJGCHGR HK Equity  
**ISIN Code** HK0000315355

## 5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 30 Nov 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\*** Li Ning 4.75  
 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

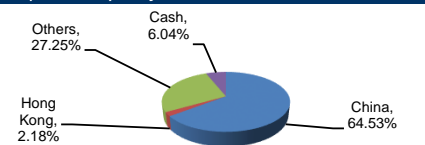
## Top Ten Holdings

	%
Wuxi Biologics (Cayman) Inc	8.87
Tencent	8.28
Meituan Dianpi -B	7.15
Li Ning	4.75
Byd Co Ltd-H	4.12
China Merchants Bank	3.33
Geely Automobile	3.29
Alibaba Group Ho	5.86
Wuapptec Co Lt-H	2.94
Shandong Weig -H	2.90

## Contact

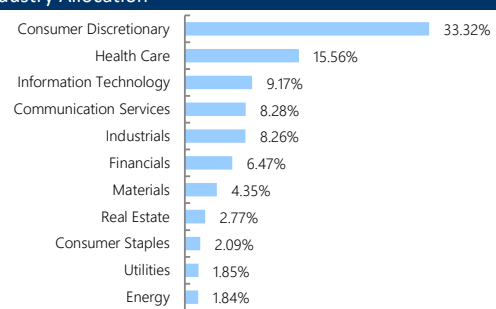
Ms. Carol Chen  
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## Exposure by Major Revenue Source<sup>3</sup>



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

## Industry Allocation<sup>4</sup>



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

## 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

US equity market rallied on the completion of US presidential election and good news on COVID-19 vaccine. The S&P 500, the Dow, and the Nasdaq Composite jumped 10.75%, 11.84%, 11.80%, respectively. Despite growing daily new cases, investors regained confidence as several vaccines were proved their efficacy. Pfizer and Biotech stated phase 3 study of COVID-19 vaccine candidate BNT162b2 is 95% effective against COVID-19 beginning 28 days after the first dose. Moderna also announced its mRNA-1273 vaccine has 94.1% efficacy in phase 3 study and planned to request an Emergency Use Authorization from the FDA. For the US presidential election, Joseph R. Biden defeated Donald J. Trump by gaining 306 of 538 electoral college votes after a heart-beating vote count. Upon Biden's presidency, market expected more stimulus package, higher healthcare subsidies, more aggressive antitrust regulation on tech giants, and more support on clean energy. As the battle for US presidency settled and we're one step closer to wide vaccination, we expect less market volatilities in short-term. Having said that, waves of COVID-19 still tortured economic recovery in addition to lingering geopolitical uncertainties, we tend to be cautious towards current market condition.

China reported rather strong data. Imports and exports numbers remained upbeat, signaling recovery in both supply and demand. The official NBS Manufacturing PMI further improved to 52.1 in November, indicating smooth recovery in factory activity. For onshore equity market, the CSI300 Index rose 5.64% MTD to 4,960.25 as of 30 November 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 manufacturing PMI increased to 56.9 in November, the fifth straight month of recovery and the strongest reading since January 2018. Output grew the most due to a rebound in customer demand following the COVID-19 outbreak and a further steady improvement in overall market conditions. Meanwhile, total new orders expanded at the fastest pace since January 2011, supported by accelerated growth in both domestic and new export orders. Business sentiment also improved to the highest since January 2020. Looking forward, although geopolitical uncertainties may affect 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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