

Guotai Junan Greater China Growth Fund

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

Monthly Report - 31 Dec 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 | 42.28 |
| 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 | -0.29 |

1 Calculated since 1 Jan 2008

2 Measured as of 31 Dec 2020

| | 1 Mth | 3 Mths | 6 Mths | YTD | 1 Yrs | 3 Yrs | 5 Yrs |
|----------------------------------|-------|--------|--------|-------|-------|-------|-------|
| The Fund (%) | 7.45 | 14.41 | 31.04 | 42.28 | 42.28 | 35.54 | 57.88 |
| Hang Seng Total Return Index (%) | 3.39 | 16.25 | 13.20 | -0.29 | -0.29 | 0.84 | 48.59 |

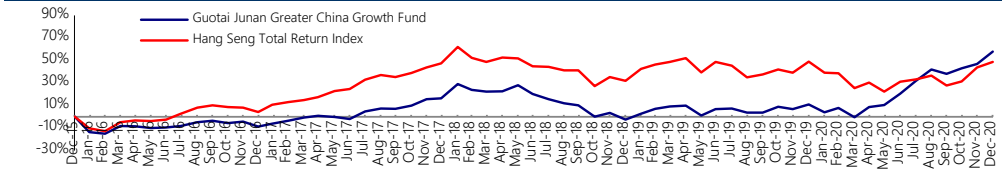
Last update: 31 Dec 2020

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

Fund Facts

| | |
|---------------------|--|
| Manager | Victor Tsang |
| 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 126.4 |
| Bloomberg Code | GJGCHGR HK Equity |
| ISIN Code | HK0000315355 |

5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Dec 2020

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

Subscription and Redemption

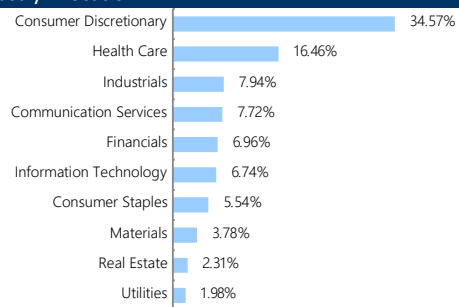
| | |
|---------------------------------------|------------|
| Min. Initial Subscription | HKD 10,000 |
| Subscription Fee | Up to 5% |
| Annual Management Fee | 1.5% p.a. |
| Redemption Fee* | |
| Less than 6 mths | 1% |
| 6 mths or more but less than 12 mths | 0.75% |
| 12 mths or more but less than 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

| | % |
|--------------------------------|------|
| Wuxi Biologics Cayman Inc | 9.74 |
| Tencent Holdings Ltd. | 7.72 |
| Meituan Dianping | 6.76 |
| Byd Co. Ltd | 4.28 |
| Geely Automobile Holdings Ltd | 3.77 |
| Wuxi Aptec Co Ltd | 3.58 |
| Jiumaojiu International Holdin | 3.48 |
| China Merchants Bank Co. Ltd | 3.10 |
| Xiaomi Corp | 3.08 |
| Shandong Weigao Group Medical | 2.95 |

Industry Allocation⁴



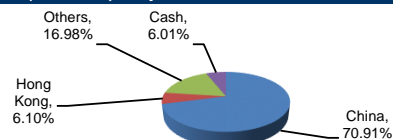
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

Contact

Ms. Carol Chen
Phone: (852) 2509 7505
Fax: (852) 2509 7784

*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

Exposure by Major Revenue Source³



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

Market Outlook and Investment Strategy

US equity market continued the uptrend on the completion of US presidential election and good news on COVID-19 vaccine. The S&P 500, the Dow, and the Nasdaq Composite rose 3.71%, 3.27%, 5.65%, respectively. Although daily new cases remained high, the risk-on sentiment is not affected in general on the hope of wide vaccination. Unfortunately, a new variant of the COVID-19 virus was found in the UK and South Africa. The new variant appears to be more contagious, which means stricter quarantine measures are necessary to prevent further virus transmissions. The breaking news made people began to question the efficacy of vaccine against the new variant. Pfizer and Biotech's vaccine appears to be effective against a key mutation in the new variant, according to a laboratory study by Pfizer and University of Texas Medical Branch. The study, which was conducted by collecting sera from vaccinators, showed that the Pfizer vaccine was effective in neutralizing the N501Y mutation in the spikes, which is present in variants found in South Africa and the UK. However, the study has not yet been peer-reviewed. Upon Biden's presidency, the market has priced in more stimulus package, higher healthcare subsidies, more aggressive antitrust regulation on tech giants, and more support on renewable energy. We expect a relatively stable period 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 very strong data. Imports and exports numbers remained upbeat, signaling recovery in both supply and demand. The official NBS Manufacturing PMI edged down a bit to 51.9 in December, the 10th straight month in the expansion zone, indicating smooth recovery in factory activity. For onshore equity market, the CSI300 Index rose 5.06% MTD to 5,211.29 as of 31 December 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. HK 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.

Taiwan market was quite strong in December, supported by inspiring economic data. The IHS Markit Taiwan Manufacturing PMI increased to 59.4 in December, the sixth straight month of rise in factory activity and the strongest reading since January 2011. The export orders surged 29.7% YoY to a new all-time high, due to strong global demand for technology products for remote working and learning and new smartphones. Looking forward, although geopolitical uncertainties may affect the development of Taiwan, we are optimistic with Taiwanese market in long run. 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

The information and data contained in this document is for reference only and does not constitute investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service.

Certain data in this document has been obtained from third parties. Guotai Junan Assets (Asia) Limited has taken its best endeavour to ensure the accuracy of such data, and in good faith believes it is reliable, and however does not guarantee the accuracy of such data.

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.

This document is issued by Guotai Junan Assets (Asia) Limited and has not been reviewed by the Securities and Futures Commission..