Guotai Junan Greater China Growth Fund

^Eligible Collective Investment Scheme under “Capital Investment Entrant Scheme”

Monthly Report - 30 Jun 2021

國泰君安國際 GUOTAI JUNAN INTERNATIONAL ASSET MANAGEMENT

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 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 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 Facts

Manager	Victor Tsang
Inception Date	19 Nov 2007
Domicile	Hong Kong
Trustee & Registrar	HSBC Institutional Trust Services (Asia) Limited
Auditor	Ernst & Young
Dealing Frequency	Daily
Base Currency	Hong Kong Dollar
NAV	HKD 137.37
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Fund Performance (Class A)

Calendar Year Performance	2008 [1]	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 [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	8.68
Hang Seng Total Return Index (%) [3]	-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	7.42

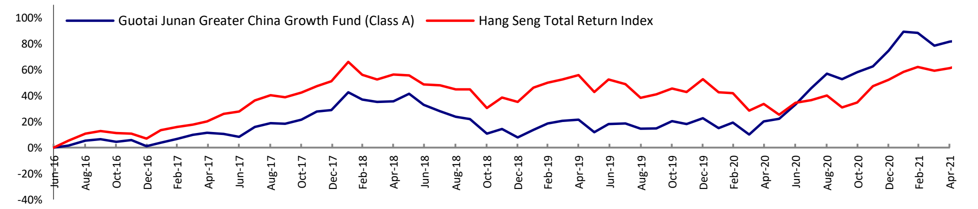
1. Calculated since 1 Jan 2008 2. Measured as of 30 Jun 2021

3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	3.73	6.27	8.68	8.68	42.41	42.71	89.74
Hang Seng Total Return Index (%) [3]	-0.64	2.75	7.42	7.42	21.60	10.12	63.62

Last update: 30 Jun 2021 The performance is measured in NAV-to-NAV in fund currency with net income re-investment

5 Year Performance



Source: Guotai Junan Assets (Asia) Limited Last update: 30 Jun 2021

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

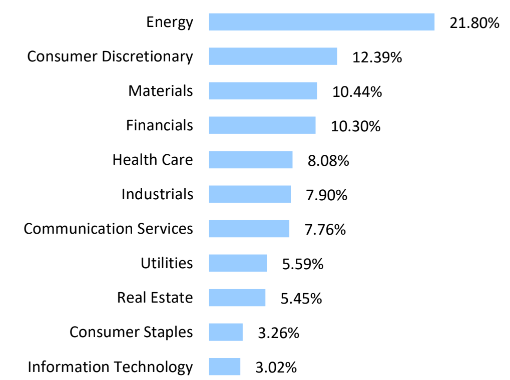
*Please refer to the Explanatory Memorandum for fee details

Top Ten Holdings[4]

Top Ten Holdings	%
Petrochina Co Ltd-H	7.01
China Petroleum & Chemical-H	5.10
Cnooc Ltd	4.09
Ck Hutchison Holdings Ltd	3.87
Aia Group Ltd	3.80
China Telecom Corp Ltd-H	3.78
China Resources Power Holdin	3.73
Sinopec Shanghai Petrochem-H	3.61
Cansino Biologics Inc-H	3.60
China Oilfield	3.48

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

Industry Allocation[6]



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

Contact

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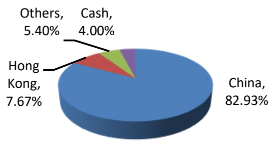
^The Fund is approved as Eligible Collective Investment Scheme under “Capital Investment Entrant Scheme” of HKSAR

Exposure by Major Revenue Source[5]



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

Market Outlook and Investment Strategy

In June, tech names led the way in the US equity market as the US 10-yr Treasury yield went down. According to the latest FOMC meeting minutes, Fed officials remains committed to promoting maximum employment and price stability. While noting that inflation has risen, the FOMC still attributed this largely to transitory factors, and stated to maintain an accommodative stance of monetary policy as long as inflation averages 2% over time. While members altered little their views on the evolution of the unemployment rate, they raised their projection of 2021 real GDP growth to 7%. However, their views on GDP growth in the longer run were broadly unchanged. Vaccine wise, more than 54% of US residents received at least one dose of COVID-19 vaccine by the end of June, according to the Centers for Disease Control and Prevention (CDC). We think the Fed will remain accommodative in short-term, and the pace of economic recovery will mainly depend on the vaccination progress and the effectiveness of vaccines against new variants of COVID-19.

Major indices in A-share market ended mixed in June. The CSI300 Index went down by 2.02%, while the ChiNext Index rallied by 5.08%. The disruption of local COVID-19 cases in Guangdong province has been under control, indicating the impact is limited. The 10-yr China Government Bond yield was roughly flat by the end of June. Considering ongoing Sino-US tension, policy makers formulated further supports to stimulate Chinese domestic demand (Urbanization 2.0, higher disposable income, less inequality), technology innovation (digitalization, big data, AI, 5G), green environment (carbon neutrality), and capital market reform. Vaccination continued to accelerate. According to National Health Commission of China, over 1.2 billion doses of vaccine were inoculated nationwide by the end of June. Overall, we remain moderately positive in short-term, and we are cautiously optimistic with the long-term development of Chinese economy. We think certain cyclical names (financials, energy, and telecom operators) will probably outperform in near term on the back of economic recovery and inflation expectation.

Hong Kong economy continued to recover. The unemployment rate of HK retreated to 6.0% in the March to May period amid the receding local pandemic. Retail sales grew by 7.8% YoY in May, the fourth straight month of expansion but volumes remained far below pre-pandemic levels. Vaccine wise, about 30% of HK residents received at least one dose of COVID-19 vaccine by the end of June. Through the month, the HSI dropped by 1.11% to 28827.95, and the HSTECH edged up by 0.63% to 8,155.37. Looking forward, we think the HK local economy still faces challenges, and we will keep flexible cash level to catch up opportunities from market fluctuations.

In June, Taiwan equity market rallied as the COVID-19 situation became under control. After peaking by the end of May, the number of daily new cases declined gradually to below 100 per day. Looking forward, although geopolitical uncertainties and the pandemic may affect the development of Taiwan, we are optimistic with Taiwan 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. In addition, the shortage of chips push the price higher, which is beneficial to foundries. Consequently, this will benefit the whole Taiwan tech supply chain and the tech dominated TAIEX Index.