

Guotai Junan Greater China Growth Fund

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

Monthly Report - 30 Nov 2021



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 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	-3.60
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	-11.55

1. Calculated since 1 Jan 2008 2. Measured as of 30 Nov 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 (%)	-5.86	-7.88	-7.99	-3.60	3.58	47.06	59.03
Hang Seng Total Return Index (%) ³	-7.42	-8.89	-18.19	-11.55	-8.55	-2.78	21.66

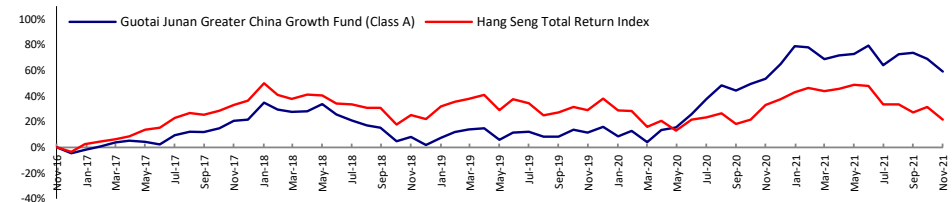
Fund Facts

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
Dealing Frequency Daily
Base Currency Hong Kong Dollar
NAV HKD 121.85
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

Last update: 30 Nov 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 Nov 2021

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

Subscription and Redemption

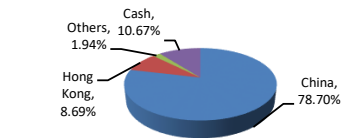
Min. Initial Subscription HKD 10,000
Subscription Fee Up to 5%
Annual Management Fee 1.5% p.a.
Redemption Fee*
 Less than 6 mths 1%
 6 mths or more but less than 12 mths 0.75%
 12 mths or more but less than 18 mths 0.50%
 18 mths or more but less than 24 mths 0.25%
 24 mths or more Waived
 *Please refer to the Explanatory Memorandum for fee details

Top Ten Holdings⁴

Company	%
Petrochina Co Ltd-H	6.90
China Mobile Ltd	6.64
China Telecom Corp Ltd-H	5.77
China Petroleum & Chemical-H	5.55
Cnooc Ltd	5.38
Guangdong Investment Ltd	5.28
Ck Hutchison Holdings Ltd	4.23
China Merchants Bank	3.93
Chinasoft International Ltd	3.46
Jd.Com Inc-Adr	3.28

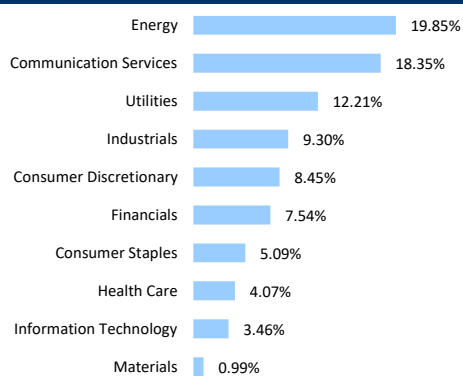
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

Exposure by Major Revenue Source⁵



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

Industry Allocation⁶



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

Contact

Ms. Helen Cheung
 Phone: (852) 2509 7740
 Fax: (852) 2509 7784

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

Market Outlook and Investment Strategy

In November, despite upbeat economic data, US equity market retreated on the back of faster tapering and earlier rate hike expectation. In November FOMC meeting, the Fed kept the benchmark interest rate unchanged, while reduced the monthly pace of its net asset purchases by US\$10 billion for Treasury and US\$5 billion for mortgage-backed securities. Fed Chair Powell stressed the timing of tapering does not directly signal the significance of the rate hike. He also stated inflation should subside as the bottleneck in supply chain eases and the Fed would be patient in deciding when to raise its benchmark interest rate. However, on November 30th, Powell said the Fed would discuss speeding up tapering in December meeting, given escalating inflation and the unexpected variant Omicron brought uncertainties to the economic recovery. Besides, US President Joe Biden claimed reversing high inflation is a top priority for him after consumer prices hit their highest level in 30 years, and he signed a US\$1.2 trillion infrastructure bill into law. First reported by South Africa, the super contagious Omicron has many scary mutations, and it has been classified as Variants of Concern (VOC) by the WHO. Looking forward, the pace of US economic recovery will mainly depend on policy supports and the effectiveness of remedies against COVID-19 variants.

A-share market still suffered high volatilities due to concerns on property developers and regulatory uncertainties. In November, the CSI300 Index dropped by 1.56%, while the ChiNext Index jumped by 4.33%. Economic condition generally improved as local COVID-19 cases and power outage eased. The executive meeting of the China State Council called for more targeted and effective work to keep the economy operating within a reasonable range. China will help with the bailout schemes for market entities, and resolve problems such as the insufficient reduction in regional taxes and fees, rising commodity prices that have pushed up costs, and overdue payments to SMEs. To face rising inflationary pressure, the Chinese government will ensure the supply and price level of food and other daily necessities remain stable. Meanwhile, Beijing has repeatedly stressed to meet the reasonable financing needs of property developers, alleviating some worries on the sector. Looking forward, we expect policymakers to make cross-cyclical adjustments to macro policies and maintain continuity, stability, and sustainability. We tend to be patient in short-term, and we are cautiously optimistic with the long-term development of Chinese economy. We think certain cyclical (energy, brokers) and consumer names will outperform on the back of demand recovery and inflation expectation.

Hong Kong equity market slumped following a weak rebound in October. The HSI nosedived by 7.49% to 23,475.26, and the HSTECH tumbled by 5.45% to 6,028.63. Investors' concern were still focusing on regulatory uncertainties and the ripple effect of Evergrande. The unemployment rate fell to 4.3% in the August to October period, the lowest jobless rate since 1Q20. Retail sales jumped 9.4% YoY in October, the ninth straight month of recovery. HK government has announced the negotiation of quarantine exemption with mainland is in process. It is expected to implement in December and achieve full exemption step by step in the next few months, which will boost HK local economy. Vaccine wise, HK has begun its booster dose injection of COVID-19 vaccine. Looking forward, we think HK local economy still faces uncertainties, and we will keep flexible cash level to catch up opportunities from market fluctuations.

Taiwan equity market rebounded slightly on better economic condition in November, while geopolitical uncertainties still hovered. 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 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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