

Guotai Junan Greater China Growth Fund

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



Monthly Report - 28 Feb 2022

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
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	-6.00
Hang Seng Total Return Index (%) ²	-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	-11.83

1. Calculated since 1 Jan 2008 2. Measured as of 28 Feb 2022

3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD ²	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	1.53	0.27	-7.63	2.84	-10.41	42.33	58.18
Hang Seng Total Return Index (%) ³	-4.58	-3.23	-11.83	-2.92	-19.57	-13.14	12.58

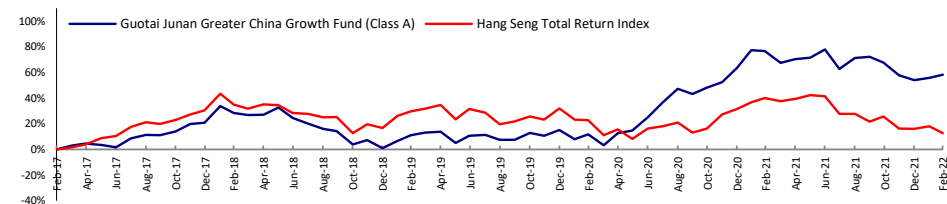
Fund Facts

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 122.18
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

Last update: 28 Feb 2022

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: 28 Feb 2022

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	%
Cnoco Ltd	5.99
China Petroleum & Chemical Cor	5.36
China Telecom Corporation Ltd.	4.63
Alibaba Group Holding Ltd	4.52
Jd.Com Inc - Cl A	4.30
China Merchants Bank Co. Ltd	4.06
Netease Inc	4.06
Postal Savings Bank Of Chi-H	3.71
Petrochina Co Ltd	3.70
Cheung Kong Infrastructure Hol	3.51

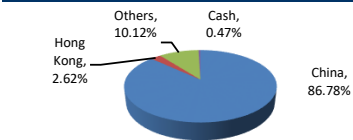
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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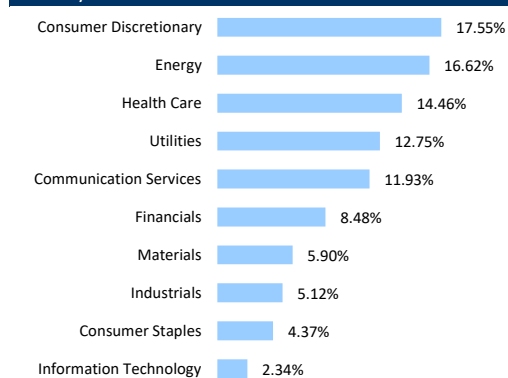
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

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.

Market Outlook and Investment Strategy

In February, US equity market remained quite volatile on the back of accelerating tightening expectation and geopolitical conflicts between Russia and Ukraine. They are crucial exporters of many commodities, such as crude oil, natural gas, metals, agricultural products etc. Brent oil ended the month at \$100 per barrel and European natural gas prices rose 15% in February. Accordingly, the war has caused commodities price hike, which added to inflation pressure. The 10-yr US Treasury yield once reached 2.0%, but falling back to 1.8% level by the end of the month. Value continued outperforming growth in general, mainly driven by energy and materials. According to the Fed's semiannual monetary policy report to the Congress, the Committee expects it will soon be appropriate to raise the target range for the federal funds rate, given the inflation is well above the FOMC's longer-run objective. Pandemic wise, the number of new daily cases in the US stabilized in February after peaking in January, alleviating some pressure on the healthcare system and the economy. The FDA has issued an emergency use authorization (EUA) for Pfizer's and Merck's COVID-19 oral pills for the treatment of mild-to-moderate COVID-19 in adults and pediatric patients, which offered a glimmer of hope to the reopening of the economy. Looking forward, the evolution of the Russia-Ukraine conflict remains uncertain. Although the WHO forecasts the pandemic will end in 2022, there's still a long way to go. The pace of US economic recovery will mainly depend on policy supports and the effectiveness of remedies against COVID-19 variants.

A-share market also suffered from the Russia-Ukraine geopolitical tension, as well as concerns on macro slowdown and regulatory uncertainties. In February, the CSI300 Index edged up by 0.39%, while the ChiNext Index slid by 0.95%. Sporadic local COVID-19 cases tortured economic activities in several provinces, but there were signals of marginal improvement. In the meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee, officials stressed to implement more policies in an orderly manner to stabilize economic growth. Meanwhile, a number of banking financial institutions have provided financial support and services for mergers and acquisitions of key real estate enterprises to dissolve risks. Looking forward, ensuring stability is the top priority for 2022 economic work to counteract the effects of an internal slowdown and external challenges. We are cautiously optimistic with the long-term development of Chinese economy, and we think certain cyclical (energy, materials) names will continue outperforming in short-term on the back of inflation expectation and sector rotation.

Hong Kong equity market slumped in February, as risk appetite deteriorated due to rising geopolitical uncertainties. Similarly, energy, materials and agriculture were the most outperforming sectors. The HSI dropped by 4.58% to 22,713.02, and the HSTECH tumbled by 5.51% to 5,118.02. The unemployment rate was unchanged at 3.9% in the three months ending January, the lowest level since February 2020. Retail sales rose 1.7% in January, as authorities tightened social distancing rules to curb the pandemic. Unfortunately, the notorious Omicron variant quickly spread in HK, which led to over 50 thousand new cases per day. Stricter quarantine measures were implemented and economic activities were almost halted. Looking forward, we think HK local economy will continue suffering from the outbreak of Omicron, and we will keep flexible cash level to catch up opportunities from market fluctuations. The valuation of certain quality names has gradually become attractive, in our view.

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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