

Guotai Junan Greater China Growth Fund

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



Monthly Report - 31 Mar 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 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 113.84
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

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

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

Market Outlook and Investment Strategy

In March, US equity market rebounded after the correction in February, though investors were still concerned about accelerating tightening and the spillover of the Russia-Ukraine conflict. Russia and Ukraine are crucial exporters of many commodities, such as crude oil, natural gas, metals, agricultural products etc. The geopolitical tension pushed energy and commodity prices to higher levels, intensifying the surging inflation, supply chain disruption and pressure on global growth. The US President Joe Biden has visited Brussels for emergency negotiation with NATO allies on the Russia-Ukraine conflict. According to the March FOMC meeting, the Fed announced a 25bps hike in the federal funds rate, the first rate hike since December 2018. Fed Chair Powell stated the Fed could begin balance sheet reduction as soon as May with a faster tightening pace when necessary, in order to curb escalating inflation. The hawkish tone pushed the 10-yr US Treasury yield to above 2.4%, up from 1.8% level in the beginning of the month. Pandemic wise, the number of new daily cases in the US continued to stabilize in March. The emergency use authorization (EUA) of Pfizer's and Merck's COVID-19 oral pills offered a glimmer of hope to the economic recovery. 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.

On top of geopolitical concerns and rising inflation, a new round of Omicron outbreak in mainland China weighed on A-share market. By the end of March, the CSI300 Index slumped by 7.84% and the ChiNext Index plunged by 7.70%. The lockdowns of key cities such as Shanghai and Shenzhen triggered investors' concern on supply chain constraints in certain crucial sectors and overall economic growth. In the Government Work Report, China targeted a 5.5% GDP growth for 2022, which is quite challenging under current condition. Meanwhile, a growing number of cities have marked down mortgage rates to bolster the sleepy property market. Looking forward, ensuring stability is the top priority for 2022 economic work to counteract the effects of an internal slowdown and external challenges. We expect an upbeat credit growth and more practical loosening measures to support the real economy, as well as growing infrastructure investment. 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.

Hong Kong equity market suffered extreme volatilities in March on the back of several key risk factors: the Russia-Ukraine conflict, the Fed's faster monetary normalization, local COVID-19 outbreak, the potential risk of Chinese ADR delisting etc. The HSI once dived more than 18% and rebounded to 21,996.85 (MTD -3.15%) by the end of March; the HSTECH slumped by 10.94% to 4,557.99. Retail sales slumped 17.6% YoY in February amid tighter social distancing rules to curb the spread of Omicron. The authorities announced to issue a new round of consumption vouchers to help with the economy. Fortunately, the daily new cases peaked in the first week of March, and gradually fell during the rest of the month. Looking forward, we think HK local economy will continue suffering from the outbreak of Omicron, and the HK equity market may continue consolidating in short term. It takes time to recover for both the local economy and investors' confidence. We will be patient and prudently catch up opportunities from irrational selloffs. The valuation of certain quality names has become attractive, in our view.

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.

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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

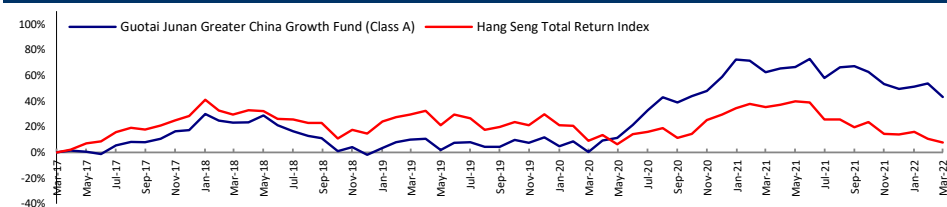
1. Calculated since 1 Jan 2008 2. Measured as of 31 Mar 2022
 3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD ²	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-6.83	-4.18	-14.39	-4.18	-11.93	30.25	43.16
Hang Seng Total Return Index (%) ³	-2.81	-5.66	-10.08	-5.66	-20.43	-16.91	7.60

Last update: 31 Mar 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: 31 Mar 2022

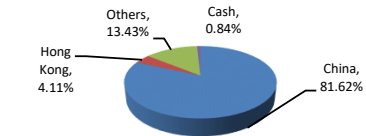
The performance is measured in NAV-to-NAV in fund currency with net income re-investment

Top Ten Holdings⁴

Company Name	%
Cnoco Ltd	8.16
China Mobile	6.17
China Telecom Corporation Ltd.	5.89
China Petroleum & Chemical Cor	5.60
Cheung Kong Infrastructure Hol	4.68
China Merchants Bank Co. Ltd	4.68
Petrochina Co Ltd	4.63
Postal Savings Bank Of Chi-H	4.52
Aia	4.11
China Longyuan-H	4.07

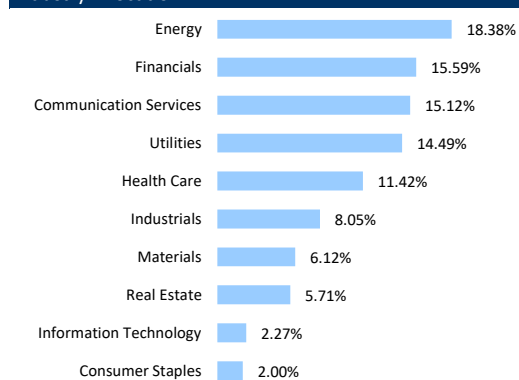
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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.