

Guotai Junan Greater China Growth Fund

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



Monthly Report - 30 Apr 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 106.65
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 April, US equity market retreated on the back of surging inflation and accelerating tightening expectation. US 1Q22 GDP shrank by 1.4% QoQ, below market expectation. The geopolitical conflict between Russia and Ukraine still remained highly uncertain, which disrupted global energy supply chain and fueled the inflationary pressure. US Inflation continued rising to 8.5% in March from 7.9% in February, the highest since December 1981. Following the 25bps rate hike in March, the hawkish Fed stressed on the need to curb surging inflation and signaled a 50bps hike in the upcoming May FOMC meeting as well as balance sheet reduction. As a result, the 10-yr US Treasury yield jumped more than 60pts to above 2.9% by the end of the month, which pressured the valuation of growth names. Pandemic wise, a new Omicron subvariant BA.2.12.1 was gaining foothold which took about a fifth of all new COVID-19 cases in the US. Primary estimates showed the new subvariant is more transmissible than the dominant variant BA.2. Later, Pfizer brought a disappointing news: its COVID-19 oral pill Paxlovid failed to prevent post-exposure infection based on the results from the clinical trial. Looking forward, escalating inflation and the changing COVID-19 condition will continue to weigh on the US economy. The pace of economic recovery will largely depend on policy supports and the effectiveness of remedies against COVID-19 variants.

On top of geopolitical concerns and rising inflation, the new round of Omicron outbreak in mainland China weighed on A-share market. By the end of April, the CSI300 Index declined by 4.89% and the ChiNext Index plunged by 12.80%. China 1Q22 GDP expanded by 4.8% YoY, above market consensus. However, reflected by a weak set of data, the lockdowns of key cities have severely impacted economic activities, triggering investors' concern on supply chain constraints and overall economic growth. Given the challenging macro environment, the PBOC announced to cut RRR for all banks by 25bps, effective from April 25th. Later, in the meeting of the Political Bureau of the CPC Central Committee, President Xi stressed to volume up macro policy adjustments to stabilize the economy and maintain the smooth operation of capital markets. He also called to strengthen infrastructure development to build a modern infrastructure system. Looking forward, ensuring stability is the top priority for 2022 economic work to counteract an internal slowdown and external challenges. We expect more practical loosening measures to support the real economy. 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 remained volatile in April dragged by several key risk factors: the Russia-Ukraine conflict, the Fed's faster monetary normalization, and the potential delisting of Chinese ADR listed in the US. The HSI dropped by 4.13% and the HSTECH fell by 1.89% by the end of April. Economic data were quite disappointing in general. Retail sales slumped 16.8% YoY in March as stringent social distancing measures curbed consumer spending. Both imports and exports recorded YoY declines in March, also attribute to pandemic disruptions. Fortunately, the number of daily new COVID-19 cases continued to drop below 500, and economic activities resumed gradually. Looking ahead, we think HK local economy will suffer from the aftermath of Omicron outbreak, and the equity market may continue to consolidate in short term. It takes time for both the real economy and investors' confidence to recover. We will be patient and prudent to 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.

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

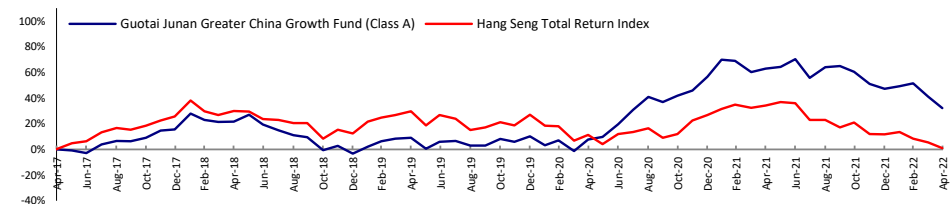
1. Calculated since 1 Jan 2008 2. Measured as of 30 Apr 2022
 3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD ²	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-6.32	-11.38	-17.60	-10.23	-18.89	21.28	32.19
Hang Seng Total Return Index (%) ³	-4.12	-11.08	-16.51	-9.54	-24.69	-22.08	1.02

Last update: 30 Apr 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: 30 Apr 2022

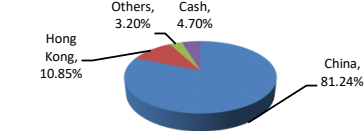
The performance is measured in NAV-to-NAV in fund currency with net income re-investment

Top Ten Holdings⁴

Company	%
Cnoco Ltd	8.02
China Mobile	6.37
China Telecom Corporation Ltd.	5.98
Cheung Kong Infrastructure Hol	5.03
Aia	4.65
Petrochina Co Ltd	4.62
Postal Savings Bank Of Chi-H	4.56
China Merchants Bank Co. Ltd	3.88
China Bluechemical Ltd.	3.87
China Longyuan-H	3.75

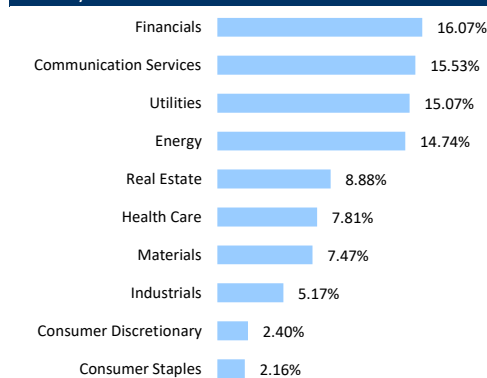
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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.