Guotai Junan Greater China Growth Fund

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

Monthly Report - 30 Nov 2022

國泰君安資産管理(亞洲)
GUOTAI JUNAN ASSETS (ASIA)

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 92.74
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
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 (%) [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	-11.83

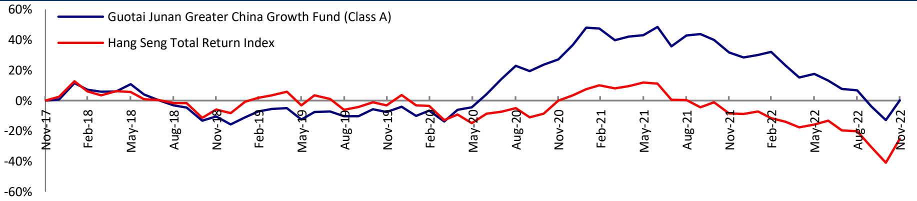
1. Calculated since 1 Jan 2008 2. Measured as of 30 Nov 2022

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 (%)	14.92	-6.21	-14.76	-21.94	-23.89	8.48	0.22
Hang Seng Total Return Index (%) [3]	26.79	-6.09	-11.04	-17.80	-18.05	-22.66	-25.05

Last update: 30 Nov 2022 The performance is measured in NAV-to-NAV in fund currency with net income reinvested

5 Year Performance



Source: Guotai Junan Assets (Asia) Limited Last update: 30 Nov 2022

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

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

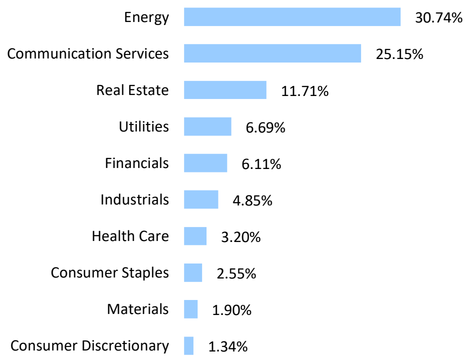
*Please refer to the Explanatory Memorandum for fee details

Top Ten Holdings[4]

Top Ten Holdings	%
Petrochina Co Ltd-H	9.03
China Unicom Hong Kong Ltd	8.65
Cnooc Ltd	8.65
China Petroleum & Chemical-H	8.54
China Telecom Corp Ltd-H	8.35
China Mobile Ltd	8.15
Swire Pacific Ltd-Cl B	6.68
Ck Asset Holdings Ltd	5.03
Aia Group Ltd	4.06
Cathay Pacific Airways	3.87

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

Industry Allocation[6]



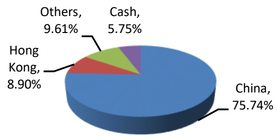
6. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

Contact

Ms. Sylvia Xu
Phone: (852) 2509 2186
Fax: (852) 2509 7784

^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

US equities continued to gain ground in November, as the Fed might moderate the pace of rate hikes in response to growing recession signals and peaked inflation. The annual inflation rate slowed to 7.7% in October, the lowest since January and below consensus. The 10-yr US Treasury yield fell from 4% to about 3.7% in November. On the geopolitical front, the ongoing Russia-Ukraine war was still complicated, which disrupted energy supply chain and fueled the inflationary pressure globally. In the November FOMC meeting, the Fed announced the fourth consecutive 75bps rate hike. Fed Chair Powell reiterated interest rates could remain at a high level for a period of time, and he also indicated the pace of rate hikes would likely be less aggressive going forward, in line with market expectation. As a result, the US Dollar Index weakened substantially in November. COVID wise, despite stabilized average daily new cases, new Omicron subvariants BQ.1 and BQ.1.1 have dominated the US towards the month end. There were some early signals showing the new subvariants are more transmissible with higher immune-escape capability. Going forward, we think high inflation and softened demand will continue to weigh on the US economy. The outlook remains quite challenging, and the pace of recovery will largely depend on policy supports and sustained COVID disruption.

A-share rallied in November on the back of policy calibration: Beijing adjusted COVID control policies and issued a series of supportive measures to warm the property market. The CSI300 Index soared by 9.81%, and the ChiNext Index rose by 3.54%. Economic data was quite disappointing. The official NBS Manufacturing PMI declined to 48.0 and the Non-Manufacturing PMI dropped to 46.7 in November, the second straight month of contraction amid a new wave of Omicron infection. Weakening external demand and inflation continued weighing on export, persistent lockdowns and subdued domestic consumption continued affecting imports. Along with soaring COVID cases in mainland China, the State Council released 20 measures to optimize pandemic prevention and control, including lower quarantine requirements for close contacts and inbound travelers, step up vaccination for the elder group, boost medical resources etc. Meanwhile, more practical supports were announced to facilitate property developers throughout the month, from bond issuance to equity financing, and from the PBoC to state-owned banks. Moreover, the State Council also hinted the RRR cut and other monetary policy tools to step up supports for the real economy, which used to happen in following days. Looking forward, we think the rising COVID cases will continue to disrupt economic activities in short term. These policy adjustments reflected a renewed prioritization on economic growth. Considering a bumpy way towards the full reopening, we expect a mild recovery in 2023 and we are cautiously optimistic with the long-term development of Chinese economy.

For similar reasons, Hong Kong equity market embraced a comeback in November after four-straight months of losses. The HSI surged by 26.62%, and the HSTECH skyrocketed by 33.15%. Economic data were lackluster. The third quarter GDP shrank by 4.5% YoY, below market expectation. HK exports and imports fell by 10.4% and 11.9% YoY in October, respectively. The rebounded in retail sales (2.4% YoY) was mainly driven by the disbursement of Phase II consumption vouchers. On the geopolitical front, positive signals were delivered from G20 and APEC, alleviating some concerns on Sino-US tension. Looking ahead, we think HK local economy will suffer from worsening economic prospects and weakening demand. It takes time for both the real economy and investors’ confidence to restore. We have been patient and prudent to catch up opportunities from irrational selloffs. The valuations of certain quality names have become attractive in long term, in our view.

24/F, Low Block, Grand Millennium Plaza, 181 Queen’s Road, Central, Hong Kong Tel: (852) 2509 2186 Fax: (852) 2509 7784 Website: www.gtjai.com