

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jan 2023



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	2009 ¹	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
The Fund (%)	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	-19.49

Hang Seng Total Return Index (%) ²	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	-12.54
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1. Calculated since 1 Jan 2008 2. Measured as of 31 Jan 2023

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 (%)	9.82	30.16	5.43	9.82	-12.71	26.13	1.72
Hang Seng Total Return Index (%) ³	10.42	48.95	9.47	10.42	-5.07	-9.04	-21.89

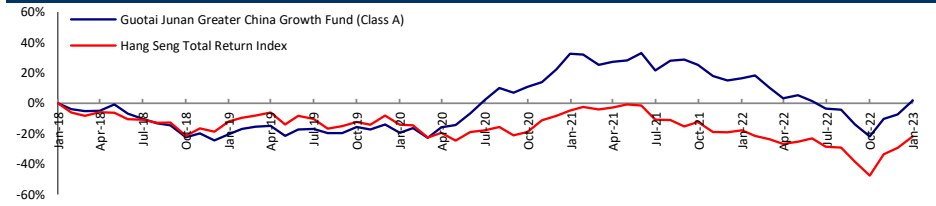
Fund Facts

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 105.04
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 31 Jan 2023

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: 31 Jan 2023

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

Contact

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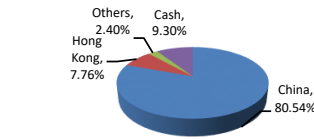
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

Top Ten Holdings⁴

Company	%
China Telecom Corp Ltd-H	9.26
Petrochina Co Ltd-H	9.14
Cnooc Ltd	8.80
China Mobile Ltd	7.96
China Petroleum & Chemical-H	5.98
Standard Chartered Plc	3.97
Ck Asset Holdings Ltd	3.79
China Longyuan Power Group-H	3.56
China Resources Power Holdin	3.23
Jinjin Fertility Group Ltd	3.09

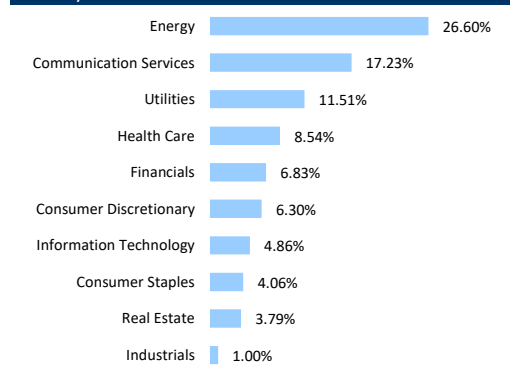
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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.

Market Outlook and Investment Strategy

US equities rallied in January on optimism that the Fed would curb inflation without triggering a recession. The annual inflation rate slowed for a 6th straight month to 6.5% in December, the lowest since Oct 2021 and in line with consensus. The 10-yr US Treasury yield slid to 3.5% towards month-end. As a result, growth stocks outperformed in January. According to the advance estimate, the annualized US 22Q4 GDP growth was 2.9%, indicating a 2.1% growth for the full-year. On the geopolitical front, the ongoing Russia-Ukraine war was still complicated, which disrupted energy supply chain and fueled the inflationary pressure globally. During the month, Fed officials mentioned they would closely monitor inflation and the labor market. The Fed needs inflation to return convincingly to target and cannot declare victory on inflation too soon. COVID wise, the Omicron subvariants XBB.1.5 has become the dominant variant in the US. The WHO stated the pandemic was not over, although the world might be reaching an inflection point as higher immunity rates lowered mortality rates. Going forward, we think high inflation and softened demand will continue to weigh on the US economy. The outlook remains quite challenging, with a soft or hard landing largely depends on policy supports and sustained COVID disruption.

A-share extended the rally in January before the Chinese New Year. The CSI300 Index rose by 7.37%, and the ChiNext Index jumped by 9.97%. Economic data were beating expectation in general, which boosted market sentiment and brought strong Northbound inflows. China GDP grew by 2.9% YoY in the fourth quarter, implying a 3% full-year growth. COVID infections in mainland China peaked in early January on a nationwide level, and economic activities resumed soon as more people recovered. Major cities and tourist sites were very crowded during the Chinese New Year holiday. High frequency data including flights and hotel occupancy rebounded to 80%-90% of pre-COVID level. Moreover, the PBoC and the CBIRC jointly announced to establish a dynamic adjustment mechanism on mortgage rates for first home buyers, which can be regarded as another loosening measure to encourage home purchasing. Looking forward, we think disruptions from future COVID waves will be probably milder than before, as people have more medical preparation and the herd immunity to deal with it. We believe recent policy adjustments reflected a reprioritization on economic growth. Considering internal uncertainties and external challengers, we expect a mild recovery in 2023 and we are cautiously optimistic with the long-term development of Chinese economy.

Similarly, Hong Kong equity market embraced a bullish January. The HSI rallied by 10.42% and the HSTECH went up by 10.02%. Economic data were still lackluster. HK exports and imports fell by 28.9% and 23.5% YoY in December, respectively. The retail sales fell by 0.7% YoY in December, the smallest drop since October 2015. On January 8th, HK resumed quarantine-free cross-border travel with mainland China for the first time in three years. The initial phase allows 60,000 people per day via seven border ports, and travelers are required to provide a negative COVID test results taken within 48 hours. More importantly, HK Chief Executive John Lee mentioned he was confident to work with mainland authorities to scrap the mandatory COVID test requirement and daily quota limits if the initial phase ran orderly and smoothly. Looking ahead, although HK local economy will still be affected by worsening external conditions, quarantine-free travel and other supportive measures should bring some hope of recovery. 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. There will be more structural opportunities for long term investments given the worst (such as lockdowns and regulatory headwinds) should be behind us.

Disclaimer

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