Guotai Junan Greater China Growth Fund

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

Monthly Report - 28 Feb 2023

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 101.02
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

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 (%) [3]	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

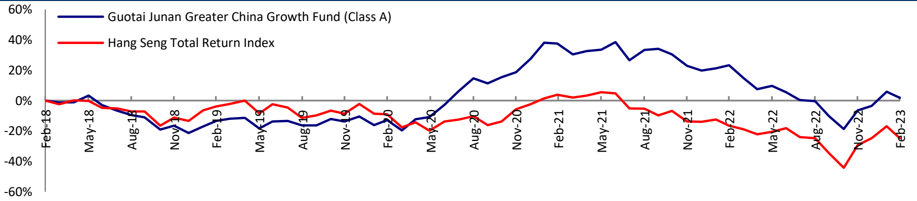
1. Calculated since 1 Jan 2008 2. Measured as of 28 Feb 2023

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 (%)	-3.83	8.93	2.16	5.61	-17.32	16.93	1.83
Hang Seng Total Return Index (%) [3]	-9.41	6.41	-0.06	0.03	-9.89	-17.29	-24.73

Last update: 28 Feb 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: 28 Feb 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

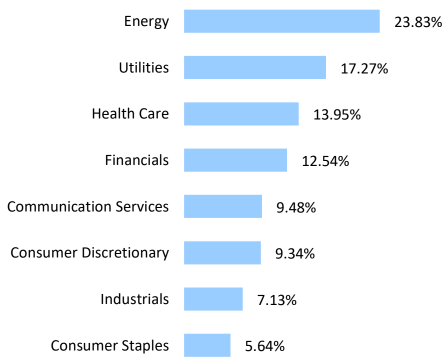
*Please refer to the Explanatory Memorandum for fee details

Top Ten Holdings[4]

Top Ten Holdings	%
Petrochina Co Ltd-H	8.95
China Mobile Ltd	8.93
Cnooc Ltd	8.70
Standard Chartered Plc	7.16
China Life Insurance Co-H	5.39
China Oilfield Services-H	4.08
Kunlun Energy Co Ltd	4.07
China Resources Power Holdin	4.02
China Power International	3.78
Wuxi Biologics Cayman Inc	3.65

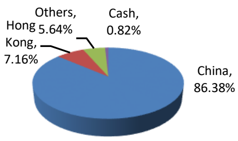
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

Industry Allocation[6]



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

Exposure by Major Revenue Source[5]



5. 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

Market Outlook and Investment Strategy

US equities pulled back in February on worries that the Fed would maintain its hawkish stance to curb soaring inflation. The S&P 500, the Nasdaq Composite and the Dow fell by 1.11%, 2.61% and 4.19%, respectively. Tech names outperformed generally, led by Nvidia's strong results and greater involvement in artificial intelligence (AI). On the geopolitical front, the ongoing Russia-Ukraine war was still complicated, which disrupted energy supply chain and fueled the inflationary pressure globally. The US annual inflation rate slowed to 6.4% in January, in line with consensus. The 10-yr US Treasury yield climbed all the way to 3.9% level by the end of the month. The US 4Q22 GDP growth was revised down to 2.7% from 2.9% in advance estimate. According to the latest FOMC minutes, while most members agreed to slow the pace of rate hikes to 25bps, a concern arose that rates might need to rise further than expected to bring inflation under control. 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 post-COVID disruption.

A-share retreated in February after a three-month rally, as rising US-China tensions and concerns about the sustainability of economic recovery dampened market sentiment. The CSI300 Index slid by 2.1%, and the ChiNext Index declined by 5.88%. Economic data were mixed, while high frequency data suggested the recovery posted Chinese New Year was inspiring. Geopolitical tension was intensified as US shot down a Chinese weather balloon in US airspace. While the US recognized the balloon as a spy for military purposes, China explained it was for weather forecasting. Meanwhile, China's Foreign Ministry claimed that US balloons have illegally entered China's airspace more than ten times in 2022, fueling an escalating diplomatic standoff between the countries that has derailed efforts to reset relations. Moreover, China extended registration-based IPOs to the whole A-share market, a key step in China's capital market reform, which would facilitate the financing of enterprises, lift market efficiency and boost the real economy. 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 stumbled on the back of appreciating USD and rising geopolitical tension. The HSI tumbled by 9.41% and the HSTECH slumped by 13.59%. Imports and exports nosedived by 30.2% and 36.7% in January, respectively, mainly dragged by deteriorating external demand. Retail sales rebounded by 5.1% YoY in January, the largest gain since April 2022, driven by reviving economic activities and border reopening. Followed the first phase of reopen, HK fully resumed quarantine-free cross border travel with mainland China on Feb 6th, with quotas and mandatory COVID test requirements for travelers to be scrapped at the same time. Looking ahead, although HK local economy will still be affected by worsening external conditions, the comprehensive reopen 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.

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