

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 30 Sep 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 (%) 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 30 Sep 2023

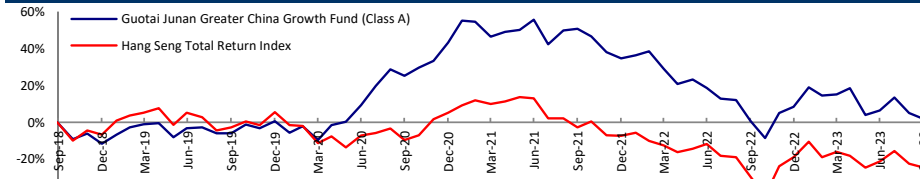
3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD ²	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-2.85	-4.13	-11.35	-5.87	1.24	-18.50	1.99
Hang Seng Total Return Index (%) ³	-2.58	-4.19	-9.98	-6.82	7.19	-16.48	-24.47

Last update: 30 Sep 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: 30 Sep 2023

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

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 90.04
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Subscription and Redemption

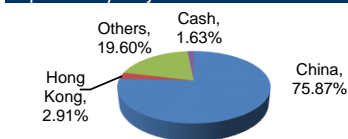
Min. Initial Subscription	HKD 10,000
Subscription Fee	Up to 5%
Annual Management Fee	1.5% p.a.
Redemption Fee*	
Less than 6 mths	1%
6 mths or more but less than 12 mths	0.75%
12 mths or more but less than 18 mths	0.50%
18 mths or more but less than 24 mths	0.25%
24 mths or more	Waived
*Please refer to the Explanatory Memorandum for fee details	

Top Ten Holdings⁴

Company	%
Alibaba Group Holding Ltd	8.81
Baidu Inc-Class A	8.24
China Oilfield Services-H	4.41
Trip.Com Group Ltd	3.77
Kuaishou Technology	3.67
China Mobile Ltd	3.38
China Bluechemical Ltd - H	3.33
Genscript Biotech Corp	3.26
China Overseas Property Hold	3.24
Kunlun Energy Co Ltd	3.23

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

Exposure by Major Revenue Source⁵



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

Industry Allocation⁶

Consumer Discretionary	30.66%
Communication Services	18.39%
Real Estate	11.20%
Health Care	7.95%
Utilities	6.20%
Materials	6.07%
Information Technology	4.76%
Financials	4.75%
Energy	4.41%
Consumer Staples	2.07%
Industrials	1.91%

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

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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 major indices recorded negative return in September amid concerns of persistent high US Treasury yield. The S&P 500, the Nasdaq Composite and the Dow retreated by 4.87%, 5.81% and 3.50%, respectively. The US annual inflation accelerated for a second straight month to 3.7% in August from 3.2% in July, beating market expectation of 3.6%, while core inflation (excluding volatile items such as food and energy) slowed for the fifth month to 4.3%. In September's FOMC meeting, The Fed held interest rates at 5.50% as expected. However, the dot plots hinted fewer rate cuts next year, highlighting a "higher for longer" hawkish stance to curb inflation as the labor market and economic activities remained strong. US Nonfarm Payrolls added 187k jobs in August, above market expectations of 170,000, marking the 3rd consecutive month with job gains falling below the 200,000 threshold, indicating a gradual easing of labor market conditions. Going forward, we believe the impact of rate hikes and softened demand will continue to weigh on the US economy. The outlook remains challenging, while a soft landing should be achievable.

A-share remained weak in September as the hawkish Fed stance and the real estate woes dampened market sentiment. The CSI300 Index declined by 2.01%, and the ChiNext Index tumbled by 4.69%. Recent economic data demonstrated some stabilization. The official NBS Manufacturing PMI increased to 50.2 in September, beating expectation and marking the first growth in factory activity since March. The official NBS Non-Manufacturing PMI accelerated to 51.7 in September, the strongest pace since June. Retail sales rose 4.6% YoY in August, exceeding market estimates of 3%. CPI also bounced back to positive territory (0.1% YoY) in August. During the month, the authority announced several measures to support the real economy and revitalize the capital market, including a universal 25bps RRR cut, issuing legal documents to regulate quant and program trading and major shareholders reduce their holdings. At the same time, more cities, including a number of tier-two cities, have lifted home-buying restrictions to revive the frozen property market, while it remains to be seen whether these relaxation measures will work. Looking forward, the economic outlook is quite bumpy as reflected by insufficient demand and lack of confidence. We believe the policy stance will stick to pro-growth and more measures will be announced to protect the downside of the economy. Considering internal uncertainties and external challenges, we are cautiously optimistic with the long-term development of Chinese economy.

For similar reasons, Hong Kong equity market retreated in September. The HSI and HSTECH dropped by 3.11% and 6.19%, respectively. Local economic data were still disappointing. HK imports and exports fell 0.3%, 3.7% YoY in August, respectively. HK retail sales slowed to 11% YoY in August from an upwardly revised 14.2% increase in July. The annual inflation rate stood at 1.8% in August, staying at its lowest level in four months and below market expectations of 2%. Looking ahead, we remain bearish on HK local economy in short term. 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 should be more structural opportunities for long term investments.

Disclaimer

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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.

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