Guotai Junan Greater China Growth Fund

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

Monthly Report - 31 Oct 2023

國泰君安資產管理(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 86.41
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

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

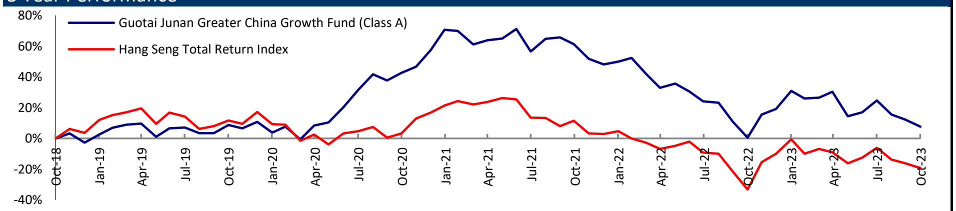
1. Calculated since 1 Jan 2008 2. Measured as of 31 Oct 2023

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 (%)	-4.03	-13.68	-17.38	-9.66	7.08	-24.49	7.68
Hang Seng Total Return Index (%) [3]	-3.91	-14.09	-11.34	-10.46	20.78	-21.92	-19.38

Last update: 31 Oct 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 Oct 2023

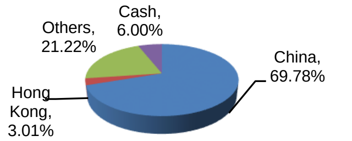
The performance is measured in NAV-to-NAV in fund currency with net income reinvested

Top Ten Holdings[4]

Top Ten Holdings	%
Alibaba Group Holding Ltd	8.57
Wuxi Biologics Cayman Inc	4.62
China Mobile Ltd	4.42
Xiaomi Corp-Class B	3.87
Kuaishou Technology	3.83
Trip.Com Group Ltd	3.77
Genscript Biotech Corp	3.72
Joyy Inc-Adr	3.28
China Bluechemical Ltd - H	3.26
Kunlun Energy Co Ltd	3.24

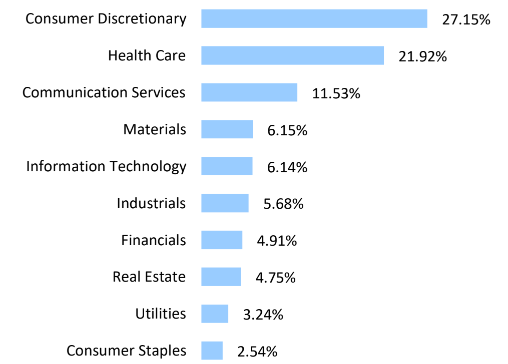
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

Exposure by Major Revenue Source[5]



5. 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.

Market Outlook and Investment Strategy

US major indices continued to retreat in October amid concerns of persistent high US Treasury yield and geopolitical uncertainties. The S&P 500, the Nasdaq Composite and the Dow retreated by 2.20%, 2.78% and 1.36%, respectively. Data wise, the US annual inflation stood at 3.7% in September, slightly above market expectation of 3.6%. US Nonfarm Payrolls added 336K jobs in September, much higher than consensus of 170K. Mainly driven by strong consumer spending, US 3Q23 GDP expanded at an annualized rate of 4.9%, exceeding market forecasts of 4.3% and accelerating from the 2.1% growth in 2Q23. The US 10-year Treasury yield rose above 5% for the first time since 2007, driven by buoyant economic data making 'higher for longer' more likely to happen, and concerns around the sustainability of government finance. Coupled with the heightened Israel-Palestine conflict, these factors hurt equity multiples and investors' risk appetite. Going forward, we believe the impact of rate hikes and softened demand will continue to weigh on the US economy as time goes by. The outlook remains challenging, while a soft landing should be achievable.

A-share remained quite weak in October as the hawkish Fed stance and the real estate woes dampened market sentiment. The CSI300 Index tumbled by 3.17%, and the ChiNext Index declined by 1.78%. Recent economic data suggested economic recovery remained fragile with more supportive measures from the government needed. The official NBS Manufacturing PMI unexpectedly fell to 49.5 in October from 50.2 in September, missing market forecasts of 50.2. The official NBS Non-Manufacturing PMI was down to 50.6 in October from 51.7 a month earlier. Retail sales rose 7.6% YoY in October, exceeding market estimates of 7%. CPI dropped 0.2% YoY in October, triggering lingering deflation concerns. The statistical office attributed the CPI drop to an ample supply of agriculture products because of good weather and a fall in consumption after the Golden Week holiday. China 3Q23 GDP expanded by 4.9% YoY, beating market forecasts of 4.4% and offering hopes that it would meet the official annual target of around 5% this year. During the month, the authority continued to roll out several measures to support the real economy and defuse local government debt risks. Moreover, Central Huijin has spent about half a billion yuan to increase its holdings of the big four banks' A-share, the first time since August 2015. Central Huijin also stated to continue purchasing more shares in the secondary market in the following six months. It remains to be seen whether these supporting 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 October. The HSI and HSTECH dropped by 3.91% and 4.12%, respectively. Local economic data were still disappointing. HK imports and exports fell 0.4%, 5.3% YoY in September, respectively. HK retail sales slowed to 10.1% YoY in September from an 11% rise in August. The annual inflation rate edged up to 2% in September from 1.8% in the previous two months, and slightly higher than market forecasts of 1.8%. Hong Kong Chief Executive John Lee delivered the annual policy address by the end of the month, mapping out his priorities for stimulating local economy and revive capital market. One of the key measures is to cut stock trade stamp duty from 0.13% to 0.1%, which should have been already priced in. 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.