

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 31 Dec 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 31 Dec 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 (%)	-2.89	-7.96	-11.77	-13.36	-13.36	-34.44	6.20
Hang Seng Total Return Index (%) ³	0.16	-3.90	-7.93	-10.46	-10.46	-30.95	-22.17

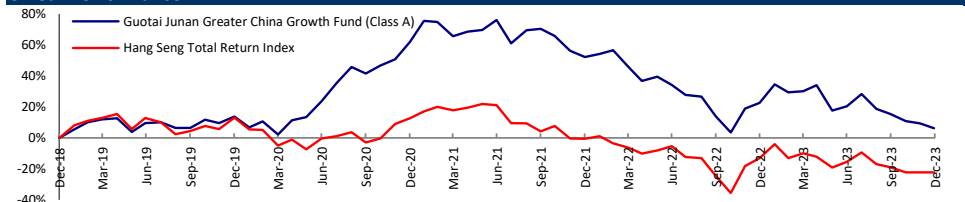
Fund Facts

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 82.87
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 31 Dec 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 Dec 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

Contact

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

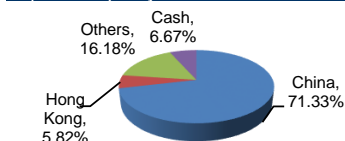
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HK SAR

Top Ten Holdings⁴

Company	%
Aia Group Ltd	5.82
Kunlun Energy Co Ltd	5.55
China Mobile Ltd	5.04
Kuaishou Technology	4.39
Trip.Com Group Ltd	4.24
China State Construction Int	4.21
Cspc Pharmaceutical Group Lt	4.14
China Bluechemical Ltd - H	3.83
Genscript Biotech Corp	3.55
Samsonite International Sa	3.38

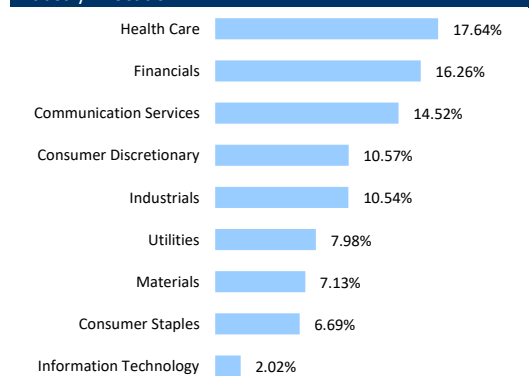
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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 stocks recorded a second consecutive month of rally, buoyed by calming inflation and falling long-term interest rates. The S&P 500, the Nasdaq Composite and the Dow rallied by 4.42%, 5.52% and 4.84%, respectively. Data wise, US inflation continued sliding to 3.1% in November from 3.2% in October, the lowest reading in five months. The core personal consumption expenditures (PCE) price index, the Fed's preferred inflation gauge, rose by 0.1% MoM in November, below market expectation of 0.2%. The cooldown in inflation strengthened the increasing expectation of rate cut next year. According to the latest FOMC meeting minutes, the Fed maintained the federal funds rate at current level, in line with expectation. Fed chair Powell indicated that the central bank was aware of the risk of keeping rates at restrictive levels for too long. More importantly, as shown in the Fed's Dot Plots, the Street has already begun to price in rate cuts as much as 75bps in the next year. As a result, the US 10-year Treasury yield fell below 3.9% by the end of December, extending the downward trend since November. Going forward, we believe the impact of peaking interest rates and softened demand will weigh on the US economy next year. The outlook remains challenging, while a soft landing should be achievable.

Emerging equity markets continued to rally in December, while the Greater China was an exception due to ongoing concerns on the deflationary spiral, regulatory uncertainties and geopolitical tensions. The CSI300 Index retreated by 1.86%, and the ChiNext Index declined by 1.62%. Recent economic data suggested economic recovery remained fragile with more supports from the government needed. The official NBS Manufacturing PMI unexpectedly fell to 49.0 in December, the third straight month of contraction in factory activity. The official NBS Non-Manufacturing PMI edged up to 50.4 in December from November's 11-month low of 50.2, thanks to supportive measures throughout the year from Beijing to bolster sluggish economic recovery. CPI fell by 0.3% YoY in December, the third straight month of decline and the longest streak of drop since October 2009, triggering lingering deflationary concerns. Despite economic headwinds, a new set of draft rules was released in December to curb online game spending. Under the new draft rules, online games are required to set limits on in-game spending and display pop-ups to alert users of "irrational spending." The rules also ban many common incentive mechanisms, such as daily sign-in rewards and first-time spending promotion. As a result, the retightening of regulation caused panic selloff. Share price of Tencent and NetEase, two domestic giants in the online game industry, plunged by more than 15% and 25% at one point, respectively. 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.

Similar to A-share, Hong Kong equity market experienced a disappointing December. The HSI slightly up by 0.03%, and the HSTECH declined by 3.47%. Recent economic data demonstrated some improvements, while the continuity of momentum remained uncertain. HK imports and exports continued to improve, rising by 7.1%, 7.4% YoY in November, respectively. HK retail sales rose by 12.4% YoY in November, the highest gain since July, boosted by rebounds in food and beverages. The annual inflation rate edged down to 2.6% in November from October's one-year high of 2.7%. Looking ahead, we remain bearish on HK local economy. 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

The information and data contained in this document is for reference only and does not constitute investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service.

Certain data in this document has been obtained from third parties. Guotai Junan Assets (Asia) Limited has taken its best endeavour to ensure the accuracy of such data, and in good faith believes it is reliable, and however does not guarantee the accuracy of such data.

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.

This document is issued by Guotai Junan Assets (Asia) Limited and has not been reviewed by the Securities and Futures Commission.