

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 30 Apr 2024

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 | 2010 ¹ | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------------------|-------------------|--------|-------|-------|------|-------|-------|-------|--------|-------|-------|--------|--------|--------|
| The Fund (%) | 12.15 | -33.38 | 18.42 | 12.02 | 1.36 | -4.12 | -8.66 | 27.53 | -16.33 | 13.85 | 42.28 | -6.00 | -19.49 | -13.36 |
| Hang Seng Total Return Index (%) ³ | 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 | -10.46 |

1. Calculated since 1 Jan 2010 2. Measured as of 30 Apr 2024

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 (%) | 5.02 | 13.02 | -3.37 | 0.76 | -20.16 | -36.49 | -5.05 |
| Hang Seng Total Return Index (%) ³ | 7.45 | 15.30 | 4.74 | 4.73 | -7.13 | -31.72 | -29.35 |

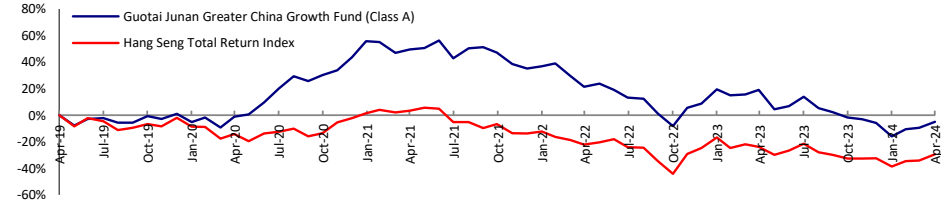
Fund Facts

| | |
|---------------------|--------------------------------------------------|
| 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 83.5 |
| Bloomberg Code | GJGCHGR HK Equity |
| ISIN Code | HK0000315355 |

Last update: 30 Apr 2024

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 Apr 2024

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

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

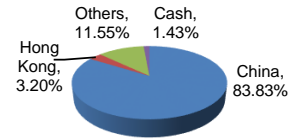
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HK SAR

Top Ten Holdings⁴

| Company | % |
|------------------------------|------|
| Alibaba Group Holding Ltd | 7.56 |
| China State Construction Int | 3.88 |
| Kunlun Energy Co Ltd | 3.78 |
| Samsonite International Sa | 3.67 |
| Avichina Industry & Tech-H | 3.52 |
| Haier Smart Home Co Ltd-H | 3.43 |
| Crrc Corp Ltd - H | 3.39 |
| China Oilfield Services-H | 3.31 |
| Futu Holdings Ltd-Adr | 3.20 |
| China Railway Group Ltd-H | 3.19 |

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 | 27.44% |
| Industrials | 24.95% |
| Communication Services | 7.71% |
| Utilities | 7.16% |
| Health Care | 7.15% |
| Information Technology | 5.85% |
| Financials | 5.79% |
| Real Estate | 5.54% |
| Consumer Staples | 3.67% |
| Energy | 3.31% |

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

Market Outlook and Investment Strategy

US equities retreated in April as strong inflation data dampened rate cuts expectation. The S&P 500, the Nasdaq Composite and the Dow declined by 4.16%, 4.41% and 5%, respectively. Data wise, US annual inflation accelerated to 3.5% in March from 3.2% in February, above forecasts of 3.4%, the highest since September 2023. The core personal consumption expenditures (PCE) price, the Fed's preferred inflation gauge, rose by 2.8% in March and slightly above consensus of 2.6%. The Nonfarm Payrolls added 303K jobs in March, the most in ten months and beating market expectation of 200K, signaling the labor market remained tight. The US 1Q24 GDP growth rate slowed to an annualized 1.6% from 3.4% in 4Q23, below forecasts of 2.5%. It was the lowest growth since the contractions in 1H22, based on the estimation. Nevertheless, the rise in inflation and a strong labor market made investors postpone their projection for rate cuts this year. Fed Chair Powell also mentioned that the Fed would need to observe the inflation data in a longer period of time to ensure rate cuts are necessary (data-dependent). Going forward, we are aware of the potential risk of "higher for longer", and we believe high interest rates environment will weigh on the US economy. The outlook still remains challenging, while a soft landing should be achievable as it is the year of presidential election.

A-share continued to blossom in April, thanks to bets on the Politburo meeting and favorable foreign inflows towards the end of the month. The CSI300 Index rallied by 1.89%, and the ChiNext Index rose by 2.21%. Recent economic data suggested the recovery was bumpy, and internal demand was still weak. The official NBS Manufacturing PMI slowed to 50.4 in April from 50.8 in March, marking the second straight month of expansion in factory activity. The official NBS Non-Manufacturing PMI fell to 51.2 in April from 53.0 in March, below the consensus of 52.2. CPI edged up 0.1% YoY in March, missing market forecasts of 0.4%, as the effect of Chinese New Year faded. Imports and exports dropped by 1.9% and 7.5% YoY in March, respectively, missing market expectation. China 1Q24 GDP grew 5.3% YoY, exceeding forecasts of 5%. On April 12th, China's State Council has released a guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market. Briefly, the guideline demanded strict regulation on IPO, delisting, high-frequency trading, and encouraged listed companies to pay cash dividends. Regarding the Politburo meeting, officials affirmed that the economy had achieved a good start in the first quarter, while still encountered many challenges such as insufficient demand and pressure on enterprises. The meeting also highlighted the comprehensive deepening of reform, and confirmed that the third plenary session of the 20th Communist Party of China (CPC) Central Committee will be held in July. Looking forward, the economic outlook is quite challenging as reflected by insufficient internal demand and lack of confidence. We believe the policy stance will stick to pro-growth and more measures will be announced to protect further 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 performed even better than A-share in April. The HSI jumped by 7.39%, and the HSTECH rallied by 6.42%. Recent local economic data were mixed. HK imports and exports rose by 5.3% and 4.7% in March, respectively. HK retail sales slumped 8.6% YoY in March, reversing sharply from a 0.5% increase in February. The annual inflation rate edged down to 2% in March from 2.1% in February. Regarding the housing market, HK's new home transactions reached ~1,852 sales in April, slowing from ~4,170 in March, while still much better than before property curbs (Jan & Feb), signaling an encouraging momentum after property curbs were removed. Looking forward, we think it remains to be seen whether this momentum can be sustained, and 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.