Guotai Junan Greater China Growth Fund

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

Monthly Report - 31 Jul 2024

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 79.74
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	2010 [1]	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
The Fund (%)	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	-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

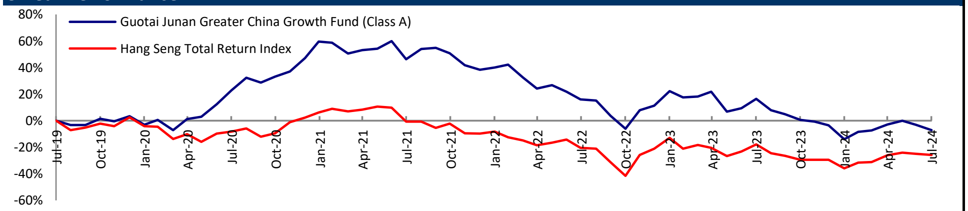
1. Calculated since 1 Jan 2010 2. Measured as of 31 Jul 2024

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 (%)	-4.26	-4.50	7.93	-3.78	-20.34	-36.50	-7.18
Hang Seng Total Return Index (%) [3]	-1.02	0.38	15.74	5.14	-9.67	-25.26	-25.73

Last update: 31 Jul 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: 31 Jul 2024

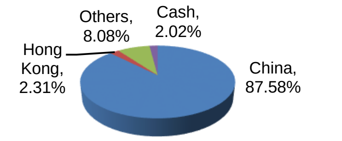
The performance is measured in NAV-to-NAV in fund currency with net income reinvested

Top Ten Holdings[4]

	%
Alibaba Group Holding Ltd	8.46
China State Construction Int	6.13
Byd Co Ltd-H	5.12
Kunlun Energy Co Ltd	4.58
China Pacific Insurance Gr-H	4.38
Avichina Industry & Tech-H	4.29
Jd.Com Inc-Class A	4.09
China Overseas Property Hold	3.70
Ping An Insurance Group Co-H	3.45
China Railway Group Ltd-H	3.37

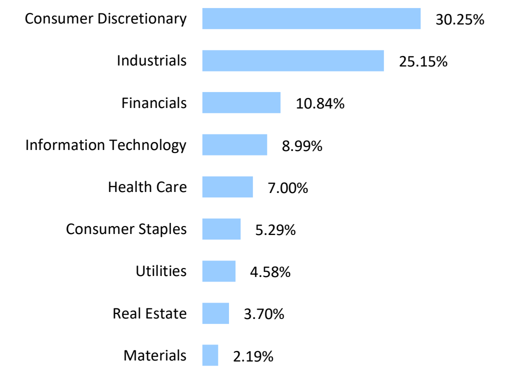
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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

In July, US equities gained ground after investors reacted positively to rate cut signaling from the Fed. The Dow outperformed as investors rotated from the growth (those with strong future growth potential) to the value, and smaller companies outperformed larger ones. Data wise, US annual inflation rate fell for a third straight month to 3% in June, the lowest since June 2023, compared to 3.3% in May and below forecasts of 3.1%. The core personal consumption expenditures (PCE) price, the Fed's preferred inflation gauge, rose by 0.2% MoM in June, slightly above the consensus of a 0.1% increase. US labor market was cooling off. The Nonfarm Payrolls added merely 114K jobs in July, well below a downwardly revised 179K in June and forecasts of 175K, the lowest level in three months. The unemployment rate rose to 4.3% in July from 4.1% in June, the highest since October 2021, above market expectation of 4.1%. In the July FOMC, the Fed held interest rates steady at 5.25%-5.50%, and Powell indicated that the first rate cut could come at the next meeting in September given recent data. As for the US presidential election, Joe Biden withdrew from this year's presidential race and endorsed Vice President Kamala Harris as the Democratic nominee instead. Going forward, we believe the upcoming rate cuts will be data dependent, and a soft landing should be achievable as it is the year of presidential election.

A-share continued to consolidate in July as pessimism arose. The CSI300 Index declined by 0.57%, and the ChiNext Index edged up by 0.28%. Recent economic data were mixed. The official NBS Manufacturing PMI declined to 49.4 in July from 49.5 in June, slightly above forecasts of 49.3, marking the third straight month of contraction in factory activity. The official NBS Non-Manufacturing PMI slid to 50.2 in July from 50.5 in June, matching market estimates and the softest pace since last November. CPI climbed to 0.5% in July from 0.2% in June, exceeding market forecasts of 0.3%, as Beijing ramped up stimulus to bolster consumption. PPI dropped by 0.8% YoY in July, below market forecasts of a 0.9% fall, the lowest figure in nearly 1~1/2 years. Imports to China grew by 7.2% YoY in July, beating market forecasts of 3.5%. Exports from China expanded by 7.0% YoY in July, moderating from an 8.6% rise in June and below than market forecasts of a 9.7% jump. China 2Q24 GDP grew by 4.7% YoY, missing consensus of 5.1%, amid a persistent property downturn, weak domestic demand, falling CNY, and trade frictions with the West. The long-awaited Politburo meeting was held in July, discussing both internal issues and external challenges. Risk prevention and bottom-line thinking were regarded as top priorities by policymakers. The task of boosting consumption is also at the forefront, and the focus of economic policies should be more on benefiting people's livelihood and promoting consumption. The Politburo made it clear that the priority is to accelerate the implementation of the existing measures, including the recent issuance of 300 billion yuan of special government bonds to support the replacement of old consumer goods with new ones. Overall, investors were generally disappointed with the statements above. Looking forward, the economic outlook is quite challenging as reflected by insufficient internal demand and lack of confidence. We believe 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.

Similarly, Hong Kong equities retreated in July. The HSI declined by 2.11%, and the HSTECH slid by 1.06%. Recent local economic data remained weak. Looking forward, 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.

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