

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 31 Aug 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 | -33.37 | 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 Aug 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 (%) | 0.63 | -6.51 | 2.10 | -3.17 | -13.42 | -39.34 | -3.35 |
| Hang Seng Total Return Index (%) ³ | 3.89 | 1.71 | 12.78 | 9.23 | 2.27 | -22.31 | -16.99 |

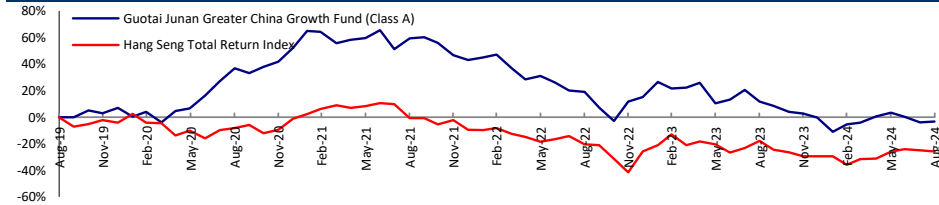
Fund Facts

| | |
|---------------------|--|
| 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 80.24 |
| Bloomberg Code | GJGCHGR HK Equity |
| ISIN Code | HK0000315355 |

Last update: 31 Aug 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 Aug 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

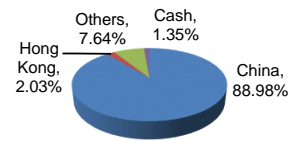
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

Top Ten Holdings⁴

| Company | % |
|------------------------------|------|
| Alibaba Group Holding Ltd | 9.12 |
| Tencent Holdings Ltd | 6.03 |
| Byd Co Ltd-H | 5.54 |
| Kunlun Energy Co Ltd | 4.82 |
| China State Construction Int | 4.47 |
| Jd.Com Inc-Class A | 4.31 |
| Sunny Optical Tech | 4.16 |
| Ping An Insurance Group Co-H | 3.87 |
| China Overseas Property Hold | 3.83 |
| Trip.Com Group Ltd | 3.72 |

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 | 28.58% |
| Industrials | 13.19% |
| Communication Services | 11.78% |
| Financials | 11.15% |
| Health Care | 9.17% |
| Consumer Staples | 8.74% |
| Utilities | 8.05% |
| Information Technology | 4.16% |
| Real Estate | 3.83% |

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

Market Outlook and Investment Strategy

In August, major US indices ended higher, but the month began with extreme market volatility. The unexpected turbulence was mainly sparked by disappointing labor data. The Nonfarm Payrolls added merely 114K jobs in July, well below the consensus of 175K. The unemployment rate rose to 4.3% in July from 4.1% in June, above market expectation of 4.1%. Meanwhile, US ISM Manufacturing PMI deteriorated to 46.8 in July from 48.5 in June, below the consensus of 47.5. Together, these data led investors' concern that the Fed might be too late to cut rates, raising the risk of a "hard landing" scenario or recession. Moreover, the unwinding of the yen carry trade, caused by worries that more interest rate hikes in Japan could unfold, added to market volatility. Fortunately, the market turmoil quickly subsided following the subsequent release of strong US economic data (robust retail sales) and reassuring statements from Bank of Japan's Deputy Governor Uchida - "we will not raise the policy rate when financial and capital markets are unstable". Investors looked ahead to a speech by Fed chair Powell at the Jackson Hole central bank symposium towards the end of August. He indicated that the US labor has indeed cooled, while the pace of rate cuts would depend on economic data. This was interpreted as leaving the door open for a 50bps rate cut in September, which further eased concerns on a "hard landing" of US economy. Going forward, we believe the upcoming rate cuts will be data dependent, and the Fed is a master in managing market expectation. A soft landing should be achievable as it is the year of presidential election.

A-share continued to consolidate in August as pessimism arose. The CSI300 Index declined by 3.51%, and the ChiNext Index slumped by 6.38%. Recent economic data were disappointing except exports. The official NBS Manufacturing PMI fell to 49.1 in August from 49.4 in July, missing market estimates of 49.5. It was the fourth straight month of contraction in factory activity and the steepest decline since February. The official NBS Non-Manufacturing PMI ticked up to 50.3 in August from July's 8-month low of 50.2. CPI edged up to 0.6% in August from 0.5% in July, falling short of market forecasts of 0.7%. PPI shrank by 1.8% YoY in August, steeper than a 0.8% drop in the July and market forecasts of a 1.4% fall. It marked the 23rd straight month of producer deflation, due to persistently weak domestic demand and the downward trend of some global commodity prices. Exports from China increased by 8.7% YoY in August, beating the consensus of 6.5%. Imports to China rose by 0.5% YoY in August, below market estimates of 2.0% amid weak domestic demand. Moreover, the LPR quotations were stood the same in August, falling short some expectation of further easing. The Fed's rate cut in September will further open up room for the PBoC to cut interest rates. Looking forward, the economic outlook is still 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.

Unlike the onshore market, Hong Kong equities rebounded in August. The HSI rose by 3.72%, and the HSTECH edged up by 1.24%. As the earning season unfold, we observed some sector rotations as those companies with solid results or meaningful share buyback plan were welcomed by investors. 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.

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.