

# Guotai Junan Greater China Growth Fund

\*Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



## Monthly Report - 30 Sep 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 <sup>1</sup>	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 (%) <sup>3</sup>	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 Sep 2024

3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD <sup>2</sup>	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	26.60	21.96	27.76	22.58	12.82	-23.61	22.31
Hang Seng Total Return Index (%) <sup>3</sup>	18.32	21.67	32.59	29.24	24.20	-3.54	-3.59

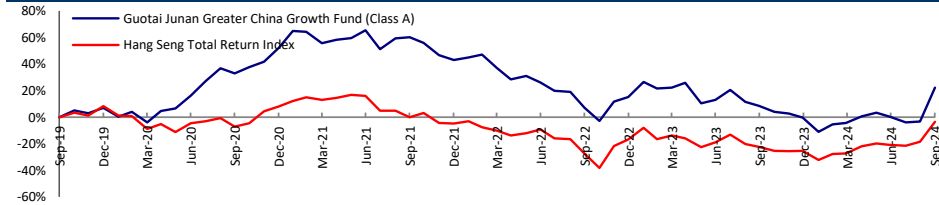
### Fund Facts

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 101.58
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 30 Sep 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 Sep 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

### Top Ten Holdings<sup>4</sup>

Company	%
Alibaba Group Holding Ltd	6.01
Tencent Holdings Ltd	5.56
Byd Co Ltd-H	5.17
Jd.Com Inc-Class A	4.37
Hong Kong Exchanges & Clear	4.19
Ping An Insurance Group Co-H	4.11
Anta Sports Products Ltd	4.08
China Overseas Property Hold	3.94
Sunny Optical Tech	3.92
Kuaishou Technology	3.49

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

### Industry Allocation<sup>6</sup>

Consumer Discretionary	25.82%
Communication Services	18.21%
Financials	11.71%
Industrials	9.37%
Utilities	8.51%
Health Care	8.28%
Real Estate	6.16%
Consumer Staples	5.68%
Information Technology	3.92%

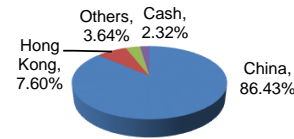
6. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

### 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

### Exposure by Major Revenue Source<sup>5</sup>



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

### Market Outlook and Investment Strategy

US equities delivered positive returns in September, with S&P and Dow Jones extending record highs. Data wise, the Nonfarm Payrolls added 142K jobs in August, more than a revised-down 89K in July but still below forecasts of 160K. The unemployment rate eased to 4.2% in August from the October 2021 high of 4.3% in July, in line with market expectations. US ISM Manufacturing PMI edged higher to 47.2 in August from the November 2023 low of 46.8 in July, missing market expectations of 47.5. These data were still disappointing, while the Fed's decision to cut interest rates by 50bps buoyed investors' confidence on a soft-landing for the US economy. Fed chair Powell stated that the US economy was in a good place and the Fed's decision to cut rates by 50bps was "designed to keep it there". In addition, he explained that the Fed were not too slow to act, and signaled more cuts would follow as part of the easing cycle. 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 embraced an epic rebound towards the end of September following a raft of stimulus measures. The CSI300 Index soared by 20.97%, and the ChiNext Index skyrocketed by 37.62%. Recent economic data were disappointing in general, however, the encouraging statements from the PBoC ignited investors' enthusiasm. On Sep 24th, the PBoC determined to support the economy with a package of policies, including cut the RRR and LPR, guide down existing mortgage rates, lower the minimum down-payment ratio for second-home buyers, and funding for stock buybacks. On Sep 26th, the Political Bureau of the Communist Party of China (CPC) Central Committee held a meeting to analyze and study the current economic situation and make further arrangements for economic work. This is the first time since July this year that the Political Bureau held a meeting on economic work, which showed policymakers attach great importance to the current economic situation. The meeting emphasized "facing difficulties and strengthening confidence" in the current economic situation. This round of policy combinations focused on counter-cyclical fiscal and monetary policies, reviving the real estate market to stop falling and stabilize, boosting the capital market, and promoting consumption and benefiting people's livelihood. Next, the existing policies will be effectively implemented and the incremental policies will be introduced. Overall, the timing of the meeting and the tone from policymakers exceeded expectations. Coupled with fear of missing out (FOMO) and huge fund inflows, Hong Kong equities surged in September. The HSI rose by 17.48%, and the HSTECH jumped by 33.45%.

Looking forward, we do believe more measures will be announced to protect further downside of the economy, as policymakers have determined to revive the real economy step by step. Considering internal uncertainties and external challenges, we are cautiously optimistic with the long-term development of Chinese economy. 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.

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