

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 30 Nov 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 30 Nov 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 (%)	-2.41	17.49	9.83	13.76	10.46	-22.63	10.27
Hang Seng Total Return Index (%) ³	-4.23	8.96	10.82	19.02	19.21	-7.09	-12.31

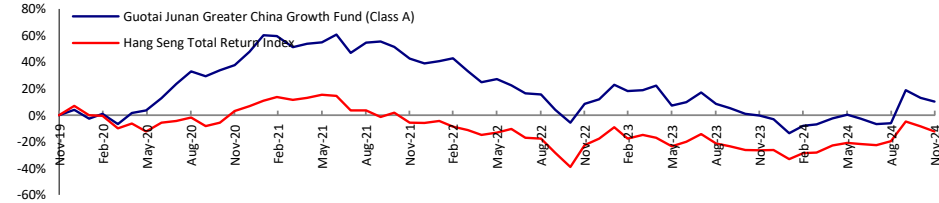
Fund Facts

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 94.27
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 30 Nov 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 Nov 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 Holdings⁴

Company	%
Tencent Holdings Ltd	7.15
Alibaba Group Holding Ltd	6.55
Byd Co Ltd-H	5.79
Kuaishou Technology	5.04
Jd.Com Inc-Class A	4.81
Ping An Insurance Group Co-H	4.76
China Power International	4.74
Aia Group Ltd	4.20
Sunny Optical Tech	4.03
Full Truck Alliance -Spn ADR	4.03

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

Industry Allocation⁶

Consumer Discretionary	27.53%
Communication Services	19.07%
Financials	15.21%
Health Care	10.56%
Information Technology	9.66%
Industrials	6.08%
Utilities	4.74%
Real Estate	3.41%
Consumer Staples	1.86%

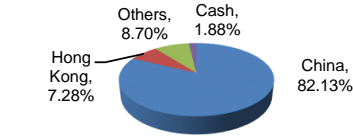
6. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

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

Exposure by Major Revenue Source⁵



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

Market Outlook and Investment Strategy

US major indices soared to record-highs in November as uncertainties were mitigated followed the outcome of presidential election and the FOMC. Donald Trump is the clear winner in the US presidential election and US equities were buoyed by expectations that his policies would lift economic growth, lower taxes and less regulations. Data wise, the Nonfarm Payrolls merely added 12K jobs in October, well below market expectation of 113K, largely distorted by hurricanes in southeastern states and by strikes at Boeing. The unemployment rate stood at 4.1% in October, in line with consensus. US annual inflation accelerated to 2.6% in October from 2.4% in September, marking the first inflation acceleration in seven months. In the latest FOMC, the Fed cut interest rates by 25 basis points (bps) to 4.50%~4.75% and stated that labor market conditions remained solid while inflation was somewhat elevated. The next bet is whether the FOMC will cut interest rates by 25bps in December or not. 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 of the US economy should be achievable.

Regarding the Greater China equities, the onshore rebounded slightly while the offshore continued to consolidate in November. The CSI300 Index edged up by 0.66%; the HSI went down by 4.40%. Recent economic data (official manufacturing & service PMI, exports, retail sales) were improving more or less, thanks to the policy pivot in September-end. It remains to be seen, however, whether the trend will be sustainable. Other than Trump's victory in the US presidential election, the headline of the month is the Standing Committee of the 14th National People's Congress (NPC) was convened in Beijing.

Policymakers introduced a debt swap program, including: a one-time 6 trillion yuan rise in local government special debt ceiling, with issuance evenly spread over 2024-2026; and 800 billion yuan of new local government special bond quota per year during 2024-2028, totaling 4 trillion yuan. The Ministry of Finance mentioned that the local government interest payment burden will be alleviated by approximately 600 billion yuan cumulatively over five years. In addition, the officials claimed to further support buyback program of housing inventory and idle land, replenish capital of big national banks, large-scale equipment upgrades, and consumer goods trade-in, without mentioning the specific amount of demand-side stimulus. A bunch of investors were concerned about the implementation and effectiveness of the abovementioned measures.

Looking forward, despite some disappointments, we think the policy pivot since September is critical. 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

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