

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 31 Dec 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 Dec 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 (%)	1.17	-6.11	14.50	15.08	15.08	-19.73	7.35
Hang Seng Total Return Index (%) ³	3.29	-4.88	15.73	22.93	22.93	-3.73	-15.36

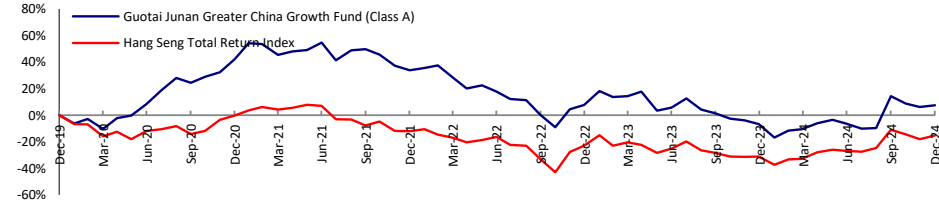
Fund Facts

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 95.37
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 31 Dec 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 Dec 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

Contact

Institutional Sales (am.bd@gtjas.com.hk)
Phone: (852) 2509 2186
Fax: (852) 2509 7784

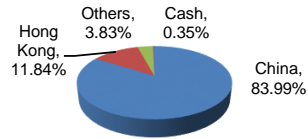
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HK SAR

Top Ten Holdings⁴

Company	%
Tencent Holdings Ltd	7.54
Alibaba Group Holding Ltd	6.54
Byd Co Ltd-H	6.19
China Unicom Hong Kong Ltd	5.96
China Power International	5.11
Ping An Insurance Group Co-H	4.95
Jd.Com Inc-Class A	4.65
Kuaishou Technology	4.45
Aia Group Ltd	4.13
Hong Kong Exchanges & Clear	3.89

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	25.26%
Communication Services	23.11%
Financials	20.11%
Industrials	7.65%
Utilities	6.63%
Consumer Staples	5.43%
Health Care	5.37%
Real Estate	3.44%
Information Technology	2.64%

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

Market Outlook and Investment Strategy

US major indices retreated more or less after hitting record-highs in December, while the NASDAQ was an exception (+0.48%). Markets had performed well in the first half of the month but were later impacted by the expectation of less Fed rate cuts in 2025, largely due to inflation remaining stubborn. US annual inflation rate rose for a 2nd consecutive month to 2.7% in November from 2.6% in October, in line with the consensus. Core PCE price, the Fed's preferred gauge to measure inflation, steadied at 2.8% in November. Labor wise, US Nonfarm Payrolls added 227K jobs in November, which was above the 202K forecast and showed a meaningful rebound from October's revised figure of 36K. The unemployment rate edged up to 4.2% in November from 4.1% in October, in line with market expectations. In the December FOMC, the Committee decided to cut the target range of federal funds rate by 25 basis points (bps) to 4.25%-4.5%, marking the third consecutive cut in the year of 2024. The surprise, however, was that members were projecting less rate cuts in 2025, given the Fed is committed to keep inflation within the 2% target as well as a low unemployment level. Going forward, we believe the rate cuts will still be data dependent, and the Fed is a master in managing market expectation. The US economy and corporate earnings forecasts remain sound so far, indicating a soft landing should be achievable.

Regarding the Greater China equities, the onshore was roughly flat while the offshore rebounded slightly in December. The CSI300 Index edged up by 0.47%, and the HSI rose by 3.28%. Recent economic data were generally disappointing with a number of misses (official non-manufacturing PMI, retail sales, CPI, imports and exports). The headline of the month is the annual Central Economic Work Conference (CEWC) was held in Beijing. President Xi reviewed and analyzed the current economic situation, and set a supportive policy tone for 2025. Briefly, the meeting filled some details and highlights, however, without specific numbers of measures. Consumption support topped the priority list, and price stability was listed as one of the main goals, following a steady economic growth and employment stability. That said, coexistence of too many targets could be an issue, implying policymakers remain in a reactive mode. Highlighted consumption stimulus so far is very targeted and unlikely to reflate the economy solely. What really matters is the income expectation remain gloomy. Moreover, they did not mention a reaction plan if tariff risks materialize. Despite the policy intentions, policy delivery, implementation and effectiveness are yet to be seen. A number of investors were still concerned about the abovementioned aspects.

Looking forward, despite some disappointments, we think the policy pivot since September 2024 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

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.