

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 31 Jan 2025

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
The Fund (%)	-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	15.08
Hang Seng Total Return Index (%) ³	-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	22.93

1. Calculated since 1 Jan 2011 2. Measured as of 31 Jan 2025

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 (%)	-1.00	-2.26	18.41	-1.00	27.80	-21.54	13.38
Hang Seng Total Return Index (%) ³	1.20	0.10	18.32	1.20	36.95	-4.24	-8.24

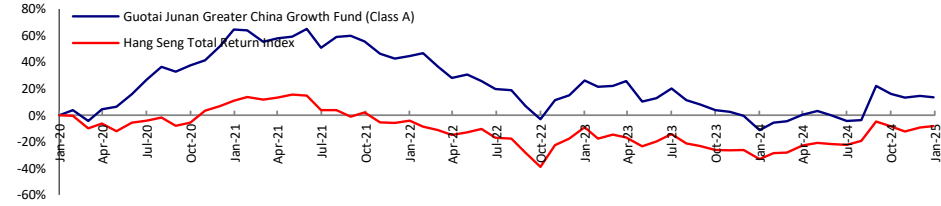
Fund Facts

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 94.42
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Last update: 31 Jan 2025

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 Jan 2025

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

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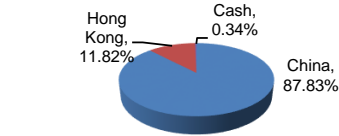
*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HK SAR

Top Ten Holdings⁴

Company	%
Tencent Holdings Ltd	7.87
Alibaba Group Holding Ltd	7.12
Byd Co Ltd-H	6.44
China Unicom Hong Kong Ltd	5.81
Jd.Com Inc-Class A	5.45
Hong Kong Exchanges & Clear	5.06
Ping An Insurance Group Co-H	4.76
Kuaishou Technology	4.60
Aia Group Ltd	4.04
Meituan-Class B	3.97

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	32.89%
Financials	26.32%
Communication Services	22.86%
Information Technology	7.97%
Industrials	4.67%
Consumer Staples	2.71%
Health Care	2.23%

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

Market Outlook and Investment Strategy

US equities began 2025 with strength, buoyed by a solid set of earnings from both financial and tech companies. The Dow rallied the most in January (+4.7%), and the S&P500 hit record high. Data wise, US annual inflation rate rose for a 3rd consecutive month to 2.9% in December 2024 from 2.7% in November, in line with market expectations. Core PCE price, the Fed's preferred gauge to measure inflation, stood at 2.8% in December 2024. US Nonfarm Payrolls added 256K jobs in December 2024, the most in nine months, and once again beating market forecasts of 160K. The unemployment rate went down to 4.1% in December 2024 from 4.2% in the previous month, below the consensus of 4.2%, signaling a strong labor market. With the transition of US political power completed, attentions turned to monetary and trade policies. In the January FOMC, the Committee decided to maintain the target range for the federal funds rate at 4.25%-4.5%, in line with expectation. Given the inflation remained elevated, Fed Chair Powell reiterated "there was no need to be in a hurry to adjust our policy stance." The Committee is strongly committed to supporting maximum employment and returning inflation to its 2% objective. 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 retreated while the offshore embraced a good start in January 2025. The CSI300 Index was down by 2.99%; the HSI edged up by 0.82%, and the HSTECH jumped by 5.72%. Recent economic data were generally disappointing with a few spotlights (retail sales, imports and exports). The headline of the month, other than US president Trump's inauguration, should be his new tariff policies on major trading partners: a 25% additional tariff on imports from Canada and Mexico, and a 10% additional tariff on imports from China, effective from February. According to street's estimates, a -1.9ppts impact on China exports and -0.3ppts on China GDP growth for this 10% tariff per se with trade diversion ongoing. Another major surprise came from DeepSeek, a Chinese AI company that develops open-source large language models (LLMs). Its DeepSeek R1 model provides responses comparable to other contemporary large language models (ChatGPT etc.) for a fraction of the cost. DeepSeek's extraordinary success has sparked fears that the United States' most advanced AI products may no longer be able to compete against cheaper Chinese alternatives, and even Donald Trump said it was a "wake-up call." This news had widespread impacts on companies involved in the AI ecosystem including chip makers and power providers. NVIDIA lost \$600 billion in market capitalization in one day, the largest decline in market history.

Looking forward, we believe the policy pivot since September 2024 is critical, despite some disappointments. We think 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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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.

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