

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Aug 2021



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	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ²
The Fund (%)	-61.96	99.44	12.15	-33.37	18.42	12.02	1.37	-6.99	-8.66	27.53	-16.33	13.85	42.28	4.64
Hang Seng Total Return Index (%) ³	-46.40	56.65	8.57	-17.38	27.46	6.55	5.48	-3.92	4.30	41.29	-10.54	13.04	-0.29	-2.92

1. Calculated since 1 Jan 2008 2. Measured as of 31 Aug 2021
3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	5.33	-0.12	-3.01	4.64	16.37	47.52	73.49
Hang Seng Total Return Index (%) ³	-0.05	-10.21	-8.78	-2.92	5.58	2.11	33.40

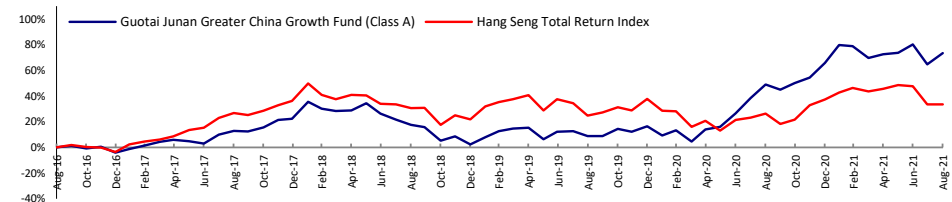
Fund Facts

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 132.27
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

Last update: 31 Aug 2021

The performance is measured in NAV-to-NAV in fund currency with net income re-investment

5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Aug 2021

The performance is measured in NAV-to-NAV in fund currency with net income re-investment

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	%
Petrochina Co Ltd-H	6.42
Tencent Holdings Ltd	5.44
China Mobile Ltd	5.11
China Petroleum & Chemical-H	4.97
Ck Hutchison Holdings Ltd	4.54
Guangdong Investment Ltd	4.07
China Merchants Bank	3.87
United Microelectron-Sp Adr	3.66
Cnooc Ltd	3.66
China Telecom Corp Ltd-H	3.59

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

Exposure by Major Revenue Source⁵



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

Industry Allocation⁶

Communication Services	18.52%
Materials	18.34%
Energy	15.06%
Information Technology	7.61%
Utilities	6.07%
Financials	5.92%
Consumer Discretionary	4.81%
Industrials	4.54%
Health Care	2.98%
Real Estate	2.93%
Consumer Staples	2.60%

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 HKSAR

Market Outlook and Investment Strategy

In August, tech names led the way in the US equity market. In the Jackson Hole symposium, Fed Chair Powell said taper could start in this year, but it should not be interpreted as a sign that rate hike would soon follow. He also pointed out while the economy was recovering, the Delta variant remained a risk to the economic recovery in short run. In addition, Powell claimed while it was a concern US inflation was running at double its 2% target, a number of factors meant the current high readings were likely to be temporary. Although more than 60% of US residents received at least one dose of COVID-19 vaccine by the end of August, the highly contagious Delta variant widely spread, causing soaring daily new cases in the US. Given the Fed was less hawkish than market expectation, policymakers would carefully assess incoming data and the evolving risks. Therefore, we think the Fed will remain accommodative in short-term. The pace of economic recovery will mainly depend on the vaccination progress and the effectiveness of vaccines (including an additional dose) against new variants of COVID-19.

A-share market continued suffering huge volatilities on the back of policy uncertainties in August. The CSI300 Index edged down by 0.12%, and the ChiNext Index tumbled by 6.57%. Economic activities were disrupted as the local COVID-19 cases still hovered. In the tenth meeting of the Central Committee, President Xi stressed to promote common prosperity amid the high quality development; coordinate work on forestalling major financial risks; establish a scientific public policy system and a reasonable distribution system that benefits everyone with a focus on primary and inclusive projects that facilitate people's well-being and guarantee their basic needs; enlarge the proportion of middle-income groups. Meanwhile, several regulatory policies were introduced in August, involving medical services, beauty clinic, online games, media, etc. Vaccination continued accelerating. According to National Health Commission of China, over 2 billion doses of vaccine were inoculated nationwide by the end of August. Looking forward, we expect policymakers to make cross-cyclical adjustments to macro policies and maintain continuity, stability, and sustainability. Overall, we remain moderately positive in short-term, and we are cautiously optimistic with the long-term development of Chinese economy. We think certain cyclical names (energy, telecom operators, and brokers) will outperform in near term on the back of demand recovery, inflation expectation, and the development of wealth management.

In Hong Kong, economic recovery slowed, while investors' concern were mainly on regulatory uncertainties. The unemployment rate fell to 5% in the May to July period, the lowest jobless rate since 1Q20. Retail sales rose 0.9% YoY in July, the slowest growth in the past six months. In addition, the HK government began to hand out consumer vouchers to eligible permanent residents to boost consumption. Vaccine wise, about 60% of HK residents received at least one dose of COVID-19 vaccine by the end of August. Through the month, the HSI edged down by 0.32% to 25,878.99, and the HSTECH dropped by 2.55% to 6,607.78. Looking forward, we think the HK local economy still faces challenges, and we will keep flexible cash level to catch up opportunities from market fluctuations.

In August, Taiwan equity market experienced a "V-shape" mainly on the back of geopolitical uncertainties. Looking forward, although geopolitical uncertainties and the pandemic may affect the development of Taiwan, we are optimistic with Taiwan market in long run. Given TSMC has gained dominance in the next generation semiconductor technology against Samsung and Intel, the global demand for 5G technology, high performance computing, and data centers would be even stronger post the pandemic. In addition, the shortage of chips push the price higher, which is beneficial to the whole Taiwan tech supply chain and the tech dominated TAIEX Index.

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