Guotai Junan Greater China Growth Fund

^Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Sep 2022

國泰君安資產管理(亞洲)
GUOTAI JUNAN ASSETS (ASIA)

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 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 88.94
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Fund Performance (Class A)

Calendar Year Performance	2008 [1]	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	-6.00
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	-11.83

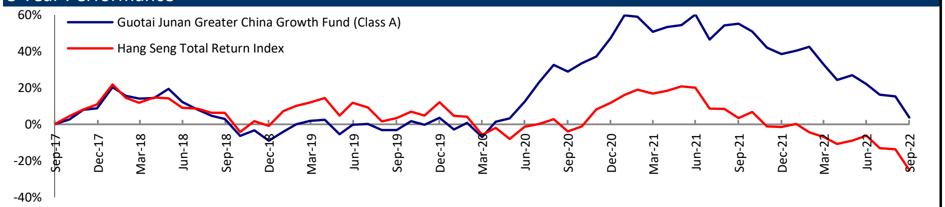
1. Calculated since 1 Jan 2008 2. Measured as of 30 Sep 2022

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 (%)	-10.05	-15.04	-21.87	-25.14	-33.12	7.09	3.73
Hang Seng Total Return Index (%) [3]	-13.15	-20.13	-19.42	-23.97	-27.54	-27.58	-26.43

Last update: 30 Sep 2022 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 2022

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

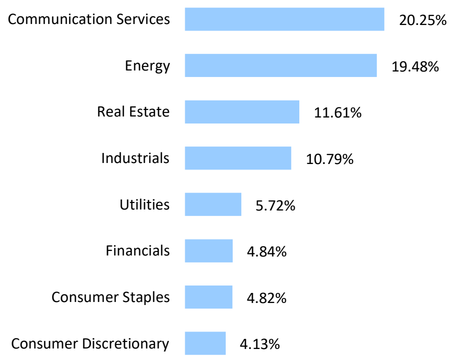
*Please refer to the Explanatory Memorandum for fee details

Top Ten Holdings[4]

Holding	%
Cnooc Ltd	8.70
Petrochina Co Ltd-H	8.49
China Mobile Ltd	7.38
China Telecom Corp Ltd-H	6.78
China Unicom Hong Kong Ltd	6.09
Swire Pacific Ltd-Cl B	5.37
AIA Group Ltd	4.84
CK Asset Holdings Ltd	4.19
Cathay Pacific Airways	3.27
Huaneng Power Intl Inc-H	2.70

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

Industry Allocation[6]



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

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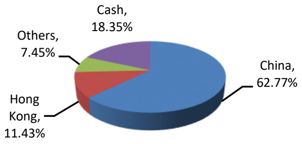
^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

Exposure by Major Revenue Source[5]



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

Market Outlook and Investment Strategy

US equities tumbled in September as investors worried about further rate hikes and rising risk of an economic hard landing, given the Fed's hawkish tone and determination to curb inflation. The S&P 500, the Nasdaq Composite and the Dow slumped by 9.34%, 10.5%, and 8.84%. On the geopolitical front, European natural gas prices skyrocketed amid explosions of Nord Stream pipelines which were built to transport natural gas from Russia to Germany through the Baltic Sea. The progress of Russia-Ukraine conflict remained highly uncertain and complicated, which disrupted energy supply chain and fueled the inflationary pressure globally. The 10-yr US Treasury yield jumped from 3.13% to 3.8% in September, hurting the valuation of growth stocks. The Fed raised the target range for the federal fund rates to 3%~3.25% in September as expected, and Fed Chair Powell reiterated strong commitment to cool inflation down to the 2% objective. In addition, the FOMC rate dot plot raised the expectation of another 75 bps hike in November and showed the peak range of rate hike next year would be 4.6%, which suggested the scope of rate hike expectation might continue to rise and a rate cut would not happen until 2024. COVID wise, the overall condition improved as the average daily new cases declined in September. Going forward, high inflation and evolving COVID variants will continue to weigh on the US economy. The pace of economic recovery will largely depend on policy supports and pandemic disruption.

A-share was quite weak in September mainly dragged by renewed lockdowns, geopolitical uncertainties and depreciating CNY. The CSI300 Index retreated by 6.72%, and the ChiNext Index nosedived by 10.95%. Macro data were disappointing. The official NBS Manufacturing PMI was 50.1 in September, the first expansion in three months; while the Non-Manufacturing PMI declined to a four-month low of 50.6 in September. Both imports and exports were slowing and below consensus. During the month, several cities like Chengdu and Shenzhen resumed social-distancing measures amid rising new COVID cases, affecting economic activities. To prepare for the aging population in China, the State Council decided to introduce income tax preference for individual pensions supported by policies and commercialized operations. Meanwhile, more measures were implemented to revive the sluggish property market. The PBoC and CBIRC lifted the restrictions on mortgage rate floors for certain qualified cities and lowered the borrowing rate of housing provident loans before the Golden Week. The Ministry of Finance also offered a rare rebate in personal income tax if a home seller purchases a new one within a year. Moreover, the PBoC announced to raise the RRR for foreign exchange risk from 0% to 20% by the end of September, aiming to stabilize foreign exchange market expectation. Looking forward, we think lockdown will continue to disrupt economic activities in short term. Ensuring stability is the top priority for 2022 economic work to counteract an internal slowdown and external challenges. Considering the property downturn, we expect more practical loosening measures with a mild recovery. We are cautiously optimistic with the long-term development of Chinese economy.

Hong Kong equity market experienced a disastrous September. The HSI tumbled by 13.69% to a 10-yr low. Economic data were lackluster. Retail sales declined by 2.9% YoY in August, slowed from previous month. Exports and imports fell by 14.3% and 16.3% YoY in August respectively, the biggest fall since January 2020. Hong Kong Chief Executive John Lee announced to shorten the overseas inbound entry quarantine days to 0+3 starting from September 26, indicating hotel quarantines are no longer required. Nucleic acid testing negative results within 48 hours, the requirement before boarding, is replaced by Rapid Antigen Tests (RAT) negative results within 24 hours. Accordingly, the reopening theme outperformed in September. Looking ahead, we think HK local economy will suffer from worsening economic prospects and weakening demand, and the equity market may continue to consolidate in short term. It takes time for both the real economy and investors' confidence to restore. We will be patient and prudent to catch up opportunities from irrational selloffs. The valuation of some quality names has become more attractive in long term, in our view.