

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Apr 2023



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	2009 ¹	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
The Fund (%)	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	-19.49
Hang Seng Total Return Index (%) ³	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	-12.54

1. Calculated since 1 Jan 2008 2. Measured as of 30 Apr 2023

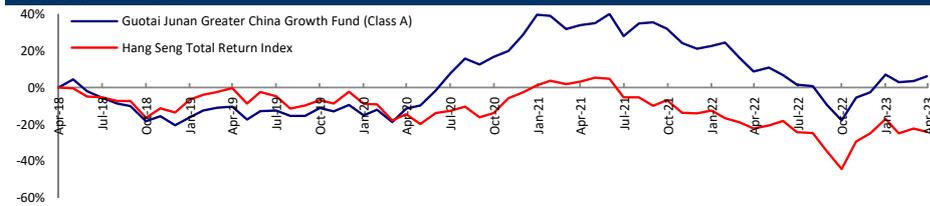
3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD ²	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.97	-0.43	29.60	9.35	-1.93	20.27	6.55
Hang Seng Total Return Index (%) ³	-2.44	-8.54	36.22	0.99	-2.37	-11.30	-24.12

Last update: 30 Apr 2023

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 Apr 2023

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

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 104.59
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Subscription and Redemption

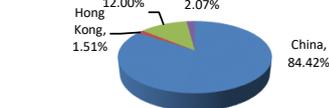
Min. Initial Subscription	HKD 10,000
Subscription Fee	Up to 5%
Annual Management Fee	1.5% p.a.
Redemption Fee*	
Less than 6 mths	1%
6 mths or more but less than 12 mths	0.75%
12 mths or more but less than 18 mths	0.50%
18 mths or more but less than 24 mths	0.25%
24 mths or more	Waived
*Please refer to the Explanatory Memorandum for fee details	

Top Ten Holdings⁴

Company	%
China Life Insurance Co-H	6.46
Alibaba Group Holding Ltd	5.77
Cnooc Ltd	5.38
Wuxi Biologics Cayman Inc	5.36
Petrochina Co Ltd-H	5.31
Kunlun Energy Co Ltd	5.11
China Resources Power Holdin	4.66
Sands China Ltd	4.46
Swire Pacific Ltd-CI B	4.18
Zijin Mining Group Co Ltd-H	4.13

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

Exposure by Major Revenue Source⁵



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

Industry Allocation⁶

Utilities	15.86%
Consumer Discretionary	15.79%
Energy	13.92%
Health Care	12.94%
Consumer Staples	12.40%
Materials	7.70%
Industrials	7.16%
Financials	6.46%
Real Estate	4.18%
Communication Services	1.51%

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

Contact

Ms. Sylvia Xu
Phone: (852) 2509 2186
Fax: (852) 2509 7784

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

Market Outlook and Investment Strategy

US major indices rose slightly in April, as some upside earnings surprises supported share prices of large-caps. The S&P 500, the Nasdaq Composite and the Dow rose by 1.46%, 0.04% and 2.48%, respectively. Renewed turmoil in the US banks also heightened fears of a slowdown and possible recession. Followed the bankruptcy of Silicon Valley Bank (SVB), the collapse of First Republic Bank seemed inevitable by the end of April, representing the largest casualty yet triggered by the US banking crisis. Ultimately, JP Morgan acquired the substantial majority of assets and assumed the deposits and certain other liabilities of First Republic Bank from the Federal Deposit Insurance Corporation (FDIC), which calmed down investors' worries on its ripple effects. The US annual inflation rate fell to 4.9% in April, the lowest since April 2021, and below market forecasts of 5%. Considering moderate inflation and weak economic data, the consensus view remained that the Fed would raise the policy rate by 25bps in May which should be the last hike in this rate-hike cycle. Going forward, we think high inflation and softened demand will continue to weigh on the US economy. The outlook remains quite challenging, with a soft or hard landing largely depends on policy supports and sustained post-COVID disruption.

A-share retreated in April, as rising geopolitical tensions and concerns about the sustainability of economic recovery dampened market sentiment. The CSI300 Index slid by 0.54%, and the ChiNext Index declined by 3.12%. China 1Q23 GDP provided a positive surprise at 4.5% YoY. Recent data signaled a potential slowdown of recovery post the first quarter. China retail sales increased by 18.4% YoY in April, missing market forecasts of 21%; exports grew 8.5% YoY in April, lower than a 14.8% surge in March; imports unexpectedly shrank by 7.9% YoY in April, missing market expectations amid weak domestic demand, lower commodity prices and a stronger USD. In the quarterly Politburo meeting, the Chinese government acknowledged the current improvement in economic performance was mainly restorative and uneven, while economic transition and upgrading were facing new headwinds. The officials mentioned restoring and expanding demand is the key to a sustained economic rebound, and to this end, the country would increase the income of urban and rural residents through multiple channels, improve the consumer environment, and boost consumptions. Moreover, they didn't mention new fiscal stimulus measures at the meeting, which disappointed the market more or less. Looking forward, the post-COVID recovery will be challenging as reflected by insufficient demand and lack of confidence. We think disruptions from future COVID waves will be probably milder than before, as people have more medical preparation and the herd immunity to deal with it. We believe the policy stance will stick to pro-growth and there will be stimulus if the recovery in the second quarter is below expectation. Considering internal uncertainties and external challengers, we expect a mild recovery in 2023 and we are cautiously optimistic with the long-term development of Chinese economy.

For similar reasons, Hong Kong equity market was quite weak in April. The HSI went down by 2.48%, and the HSTECH tumbled by 9.35%. Data wise, HK retail sales jumped to a record-high of 39.4% YoY in March. The government emphasized the retail industry should continue to gain from the recovery of inbound tourism and private consumption. During the month, the Phase I consumption vouchers were handed out to residents to support local consumption. Moreover, the HK government has announced free flight tickets for global tourists in order to boost local economy. Looking ahead, although HK local economy will still be affected by worsening external conditions, the comprehensive reopen and other supportive measures should bring some hope of recovery. It takes time for both the real economy and investors' confidence to restore. We have been patient and prudent to catch up opportunities from irrational selloffs. There will be more structural opportunities for long term investments given the worst (such as lockdowns and regulatory headwinds) should be behind us.

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