Guotai Junan Greater China Growth Fund

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

Monthly Report - 30 Sep 2026

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

Important Information

Guotai Junan Greater China Growth Fund (The "Fund") may invest in listed securities of 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 Fund may also be exposed to risks associated with the China market, small- and mid-capitalisation companies, and the concentration of investments in the Greater China region. As a result, the value of the Fund may experience significant volatility.

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 and Investment Strategy

The Fund seeks to provide investors with medium to long term capital appreciation over time. The Manager intends to make investments primarily through a portfolio consisting of listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China, which includes the People's Republic of China (PRC), the Special Administrative Regions of Hong Kong and Macau and Taiwan.

Fund Performance (Class A)[1, 2]

Calendar Year Performance	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
The Fund (%)	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	25.08
Hang Seng Total Return Index (%) [3]	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	32.51

1. Calculated since 1 Jan 2012

2. Measured as of 30 Sep 2026. Source: Guotai Junan Assets (Asia) Limited

3. A reference index for comparative purposes only

Cumulative Performance	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	5 Yrs
The Fund (%)	-0.34	9.61	-2.42	-8.08	-9.75	21.78	-17.54
Hang Seng Total Return Index (%) [3]	-3.28	8.64	1.64	-1.38	-5.44	54.38	19.90

Last update: 30 Sep 2026

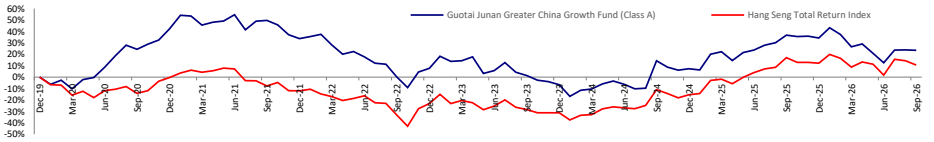
The performance is measured in NAV-to-NAV in fund currency with net income reinvested

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	Each Hong Kong Business Day
Base Currency	Hong Kong Dollar
NAV	HKD 109.65
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

Source: Guotai Junan Assets (Asia) Limit Last update: 30 Sep 2026

Fund Performance (Since 2020)



Source: Guotai Junan Assets (Asia) Limited

Last update: 30 Sep 2026

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

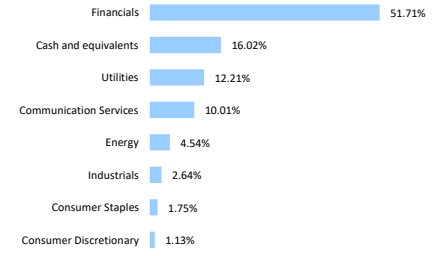
Top Five Holdings[4]

	%
China Construction Bank-H	9.77
China Mobile Ltd-H	8.68
Hsbc Holdings Plc	8.54
Ind & Comm Bk Of China-H	8.52
Bank Of China Ltd-H	7.47

Last update: 30 Sep 2026

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

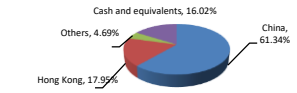
Industry Allocation[6]



Last update: 30 Sep 2026. Percentages may not add up to 100% due to rounding.

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

Exposure by Major Revenue Source[5]



Last update: 30 Sep 2026. Percentages may not add up to 100% due to rounding.

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

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

Monthly Market Review and Outlook

Hong Kong equities closed lower in August amid a heavy interim results season and overseas macroeconomic headwinds. In September, the market shifted into a pattern of index declines accompanied by structural divergence. The Hang Seng Index fell 3.73% for the month to 24,613, marking its second consecutive monthly decline, while the Hang Seng TECH Index dropped 7.92% to 4,253.89. The latter reached an intraday low of 4,216.34, its lowest level since October 2025, bringing its cumulative drawdown from last year's peak to over 36%. Among the 12 major sectors in the Hong Kong market, materials, consumer discretionary and consumer staples led the declines. Healthcare was the only sector to record a gain, mainly supported by industry-specific developments. As geopolitical tensions eased marginally, multinational pharmaceutical companies accelerated their acquisition and licensing of Chinese innovative drug pipelines. The novelty and potential efficacy of these pipelines have continued to attract greater investment from global pharmaceutical companies with strong cash positions. Despite weak index performance, southbound capital returned strongly, with net inflows reaching approximately HKD60.78 billion in September, compared with HKD10.38 billion in August. Cumulative southbound net inflows for the year reached approximately HKD435.1 billion by the end of September.

Notably, southbound investors continued to buy into weakness as the Hang Seng TECH Index declined, with technology stocks being the main target of accumulation. Inflows into financial and industrial stocks were also consistent with demand for defensive, high-dividend assets and evolving allocation needs among insurance funds. Regulatory rules allowing insurance funds to invest in Stock Connect-eligible Hong Kong-listed ETFs took effect on 20 September. Against a low-interest-rate backdrop, the appeal of Hong Kong dividend assets as bond substitutes has become increasingly evident among long-term investors. Dividend-focused ETFs and high-dividend bank stocks therefore demonstrated clear resilience during the broader market decline. For the third quarter as a whole, the Hang Seng Index still gained 7.57%, reversing three consecutive quarters of losses. The September correction mainly reflected a recalibration of expectations following the earlier rally, compounded by external monetary tightening pressures.

On the domestic front, China's official manufacturing PMI rose to 50.1 in September, returning to expansionary territory after two months. Value-added industrial output grew by 5.5% year on year, 0.3 percentage points faster than in August, while retail sales growth accelerated by 0.7 percentage points to 1.1%. However, the absolute growth rate remained low, and the pace and sustainability of the domestic demand recovery have yet to become firmly established. The economy's K-shaped divergence showed no signs of narrowing. Value added in high-tech manufacturing increased by 14.3% year on year, significantly outpacing overall industrial production, while profits in the sector surged by 54.7%. The divergence between equipment manufacturing and upstream materials and traditional consumer sectors continued to widen. On the policy front, the Ministry of Finance, the People's Bank of China and the National Financial Regulatory Administration jointly announced a mortgage interest subsidy programme on 29 September. Effective from 1 October, eligible first-home commercial mortgages will receive an annual fiscal interest subsidy of one percentage point, subject to a maximum subsidised loan amount of RMB1 million per household. This marks the first time that the central government has provided an interest subsidy for commercial residential mortgages, although its signalling effect is likely to outweigh its near-term aggregate impact. Mainland property stocks rallied ahead of the announcement but subsequently gave back their gains, indicating that market pricing of the property sector remains dependent on evidence of actual policy effectiveness.

Internationally, the key development in September was the Federal Reserve's first rate increase under Chair Warsh. On 16 September, the FOMC voted unanimously to raise the federal funds target range by 25 basis points to 3.75%–4.00%, the first increase since July 2023. The dot plot showed that most members expected one further rate increase before year-end, while the median policy-rate projection for 2026 was revised upward to 4.1%. At the post-meeting press conference, Warsh stated that it was "difficult to characterise overall financial conditions as restrictive". The removal of the previous reference attributing high inflation to supply shocks also suggested that concerns over broadening price pressures had become more systemic. Following the rate increase, the US Dollar Index returned to the 100 level and US equities sold off. As an offshore market priced in US dollars, Hong Kong equities came under immediate pressure. Given its higher-valuation growth profile, the Hang Seng TECH Index was more sensitive to rising real interest rates than the Hang Seng Index. The US Treasury yield curve underwent a bear flattening, with short-term yields rising more than long-term yields, placing greater valuation pressure on long-duration assets.

Although September CPI data were not released until October, the upside surprise had already been reflected in oil prices and interest-rate expectations toward the end of the month. After Trump rejected Iran's ceasefire proposal on 28 September, Brent crude briefly rose above USD107 per barrel, while the 10-year US Treasury yield reached 5.26%. The transmission of higher energy prices into inflation expectations has become an important constraint on risk-asset valuations. Although US-Iran tensions showed renewed signs of easing on 29 September, the geopolitical risk premium did not materially subside. Commercial shipping traffic through the Strait of Hormuz fell in early September to its lowest level since May. Even though traffic subsequently recovered, higher insurance premiums, rerouting costs and shipowners' longer-term sanctions exposure have raised the structural friction costs of energy transportation. Continued oil-price volatility is therefore adding uncertainty to both inflation expectations and central-bank policy responses.

Looking ahead, Hong Kong equities are likely to remain constrained by tighter liquidity, a domestic economy that is being supported but has yet to regain meaningful momentum, geopolitical uncertainty and a substantial pipeline of IPO lock-up expiries. Following the September rate increase, the market will need to reassess whether the Federal Reserve will raise rates again before year-end and how far the expected policy-rate level for 2027 may be revised upward. The October FOMC meeting will provide important signals. However, the upside surprise in September CPI suggests that the threshold for pausing rate increases remains relatively high. Continued resilience in the US dollar and short-term Treasury yields is therefore likely to limit the scope for a valuation recovery in Hong Kong equities.

On the geopolitical front, the fundamental differences between the United States and Iran over ceasefire terms remain unresolved, and oil-price volatility will continue to pose a key tail risk to inflation expectations in October. Domestically, the return of the manufacturing PMI to expansionary territory and the introduction of the mortgage interest subsidy programme should provide some downside support to sentiment. Nevertheless, retail sales growth of only 1.1% and the structural divergence in fixed-asset investment suggest that a sustained recovery in domestic demand will take time. High-quality, high-dividend assets should retain their allocation value as defensive core holdings, supported by the broader investment scope available to insurance funds, their role as bond substitutes and continued demand for downside protection.

Key developments to monitor in October include the FOMC meeting and dot plot for confirmation of the year-end rate path, the transmission of US inflation and oil prices into interest-rate expectations, substantive progress in US-Iran negotiations, and whether China's third-quarter economic data point to a narrowing or further widening of the K-shaped divergence.

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