

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 29 Feb 2020



國泰君安國際
GUOTAI JUNAN INTERNATIONAL
ASSET MANAGEMENT

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 Sub-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 Sub-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

	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ²
The Fund (%)	-61.96	99.45	12.15	-33.38	18.42	12.02	1.36	-4.12	-8.66	27.53	-16.33	13.85	-2.76
Hang Seng Total Return Index (%)	-46.40	56.65	8.57	-17.38	27.46	6.55	5.48	-3.92	4.30	41.29	-10.54	13.04	-7.02

1. Calculated since 1 Jan 2008

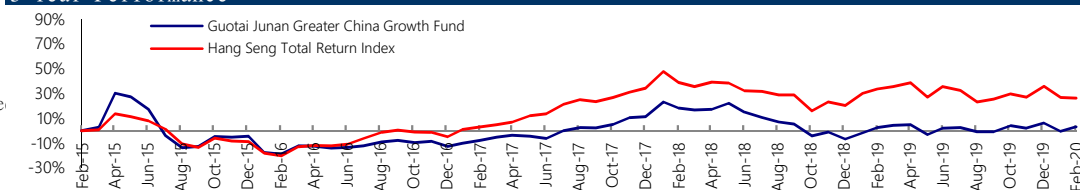
2 Measured as of 29 Feb 2020

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	3.73	1.05	4.06	-2.76	0.64	11.85	3.24
Hang Seng Total Return Index (%)	-0.38	-0.49	2.63	-7.02	-5.37	22.65	26.56

Last update: 29 Feb 2020

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: 29 Feb 2020

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

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 Limited

Dealing Frequency Daily

Base Currency Hong Kong Dollar

NAV HKD 86.39

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%

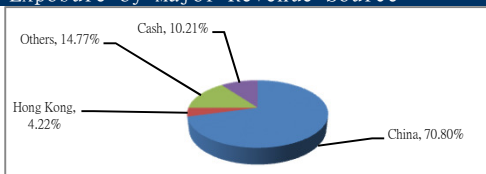
24 mths or more Waived

* Redemption fee will be waived for investors who subscribed through nominee account.

Top Ten Holdings

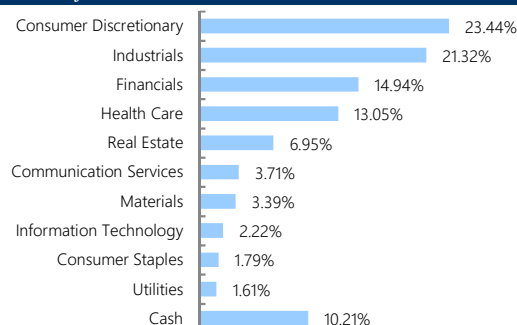
	%
Meituan Dianping	6.79
Alibaba Group Holding Ltd	6.59
Zoomlion Heavy Industry Scienc	6.21
China Lesso Group Holdings Ltd	5.95
Aia Group Ltd	4.22
Tencent Holdings Ltd.	3.71
Wuxi Biologics Cayman Inc	3.44
Boc Aviation Ltd	3.25
Ping An Insurance (Group) Co.	3.21
China Merchants Bank Co. Ltd	3.03

Exposure by Major Revenue Source³



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

Industry Allocation⁴



4. 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

US stock market corrected sharply on the outbreak of novel corona virus that shadowed the global economic growth, with Dow Jones plunged by 10.07%, while S&P 500 was down by 8.41%, and Nasdaq has corrected by 6.38%. The ISM Manufacturing Index of February declined to 50.1 from 50.9 in January and below market expectations of 50.5. Looking forward, we believe the foundation of global economy growth would be shaken by the outbreak and spread of COVID-19. In light of this risks and in support of achieving its maximum employment and price stability goals, Fed make and emergency rate cut by 50 bps in March 3, 2020, which is the first unscheduled emergency rate cut since 2008. The cut came as somewhat of a surprise that the outlook for America might have been in more jeopardy than previously thought.

Chinese reported soft figures due to the endeavor to stop the virus spreading. The official manufacturing PMI in February was reported a historical low level at 35.7, while the Caixin PMI also reported unsatisfied data at 40.3. CPI climbed higher to 5.4% which beat the consensus of 4.9%, mainly due to a surge in prices of food as the outbreak of African swine fever sent the price of pork soaring. As for the stock market, the CSI300 decreased by 1.59% to 3,940.05, due to the concern on the slowing economic activity due the containment to stop virus spreading.

In regard to our investment strategy for Hong Kong/China market, the corona virus did worth some attention, though the situation in China has been largely in control and the economic activity would gradually recovered to normal. Although the protest movements in Hong Kong seemed quiet down in the past month, we believe the political dilemma has no short term solution, and local names would continue to be under pressure. Domestic leading sectors, such as consumer discretionary, have been relatively weak, as the actions to stop the virus spreading would hurt those companies' IQ results, though we view the epidemic would hopefully end in 2Q. We believe in longer term the fundamental results will act as the major driver of market direction.

Disclaimer

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