

GUOTAI JUNAN INVESTMENT FUNDS

GUOTAI JUNAN GREATER CHINA GROWTH FUND

FIRST ADDENDUM TO THE EXPLANATORY MEMORANDUM

This First Addendum is supplemental to and forms part of the Explanatory Memorandum for Guotai Junan Investment Funds dated January 2020 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this First Addendum.

If you are in doubt about the contents of the Explanatory Memorandum and this First Addendum, you should seek independent professional financial advice.

The Manager and the directors of the Manager accept full responsibility for the accuracy of the information contained in the Explanatory Memorandum and this First Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Explanatory Memorandum shall be amended as follows with immediate effect:

1. The fourth and fifth paragraphs under the sub-section headed “Trustee and Registrar” and the section headed “MANAGER AND TRUSTEE” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“Under the Trust Deed, the Trustee is responsible for the safe-keeping of all the investments, cash and other assets forming part of the assets of each Sub-Fund and shall take into custody or under its control all the investments, cash and other assets forming part of the assets of the Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions of the Trust Deed. Subject as otherwise provided in the Trust Deed and where permitted by law, all cash and registrable assets from time to time comprised in the Sub-Fund shall be registered in the name of or to the order of the Trustee and be dealt with as the Trustee may think proper for the purpose of providing for safe-keeping thereto. With respect of any investments or other assets of the Sub-Fund which by nature cannot be held in custody, the Trustee shall maintain a proper record of such investments or assets in its books under the name of that Sub-Fund. The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, itself or any connected person) as custodian or co-custodian of the whole or any part of the assets comprised in any Sub-Fund and may empower any such custodian or co-custodian to appoint, with the prior consent in writing of the Trustee, sub-custodians. The fees and expenses of such custodian, co-custodian and sub-custodian shall be paid out of the Fund. Notwithstanding anything contained in the Trust Deed, the Trustee will remain liable for the acts and omissions of agents, nominees and delegates which are appointed for the custody and/or safekeeping of any of the investments, cash or other assets forming part of the property of the Fund or any Sub-Fund (other than a securities depository or clearing system or its nominees) as if the same were the act or omission of the Trustee.

Provided however that if the Trustee (i) has exercised reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of nominees, agents and delegates which are appointed for the custody and/or safekeeping of any of the investments, cash, or other assets forming part of the property comprised in the Fund or any Sub Fund and

(ii) is satisfied that such nominees, agents and delegates retained remain suitably qualified and competent on an ongoing basis to provide the relevant services to the Fund or any Sub-Fund, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of such nominees, agents and delegates, who are not connected persons of the Trustee.”

2. The following section shall be inserted immediately after the section headed “SECURITIES LENDING, SALE AND REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS” of the Explanatory Memorandum:

“INVESTMENT VIA SUBSIDIARY

Where direct investment by a Sub-Fund in a market is not in the best interests of investors, such Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market subject to the requirements of the Code. Where a Sub-Fund may invest through a wholly-owned subsidiary, further details are set out in the Appendix of such Sub-Fund.”

3. The section headed “Transactions with Connected Persons” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“TRANSACTIONS WITH CONNECTED PERSONS, CASH REBATES AND SOFT DOLLARS

All transactions carried out by or on behalf of the Fund or the Sub-Fund must be executed at arm’s length, on the best available terms and in the best interests of the Unitholders of the relevant Sub-Fund. In particular, any transactions between the Sub-Fund and the Manager or any of their connected persons as principal may only be made with the prior written consent of the Trustee. All such transactions must be disclosed in the annual report of the Fund and/or the relevant Sub-Fund.

In effecting transactions for the account of any Sub-Fund with brokers or dealers connected to the Manager, the Trustee or any of their connected persons, the Manager must ensure that it complies with the following requirements: (a) such transactions are on arm’s length terms; (b) it must use due care in the selection of such brokers or dealers and ensure that they are suitably qualified in the circumstances; (c) transaction execution must be consistent with applicable best execution standards; (d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature; (e) it must monitor such transactions to ensure compliance with its obligations; and (f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual report of the Fund and/or the relevant Sub-Fund.

Subject to the requirements in the paragraph below, the Manager and/or any of its Connected Persons reserve the right to effect transactions by or through the agency of another person (including a broker or dealer) with whom the Manager and/or any of its Connected Persons has an arrangement under which that party will from time to time provide to or procure for the Manager and/or any of its Connected Persons goods, services or other benefits the nature of which is such that their provision can reasonably be expected to benefit the relevant Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund and for which no direct payment is made but instead the Manager and/or any of its Connected Persons undertakes to place business with that party.

Neither the Manager nor any of its Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions to them save that the goods and services (soft dollars) may be retained if: (a) the goods and services to be provided pursuant thereto are of demonstrable benefit to the Unitholders; (b) the transaction execution is consistent with best execution standards and the brokerage rates are not in excess of customary institutional full service brokerage rates; (c) periodic disclosure is made in the annual report of the Fund and/or the relevant Sub-Fund in the form of a statement describing the soft dollar policies and practices of the Manager, including a description of the goods and services received by it; and (d) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. Such goods and services may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.”

4. The section headed “SOFT COMMISSIONS REBATE” of the Explanatory Memorandum shall be deleted in its entirety.
5. The section headed “CONFLICTS OF INTEREST” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“The Manager, the Trustee and their respective connected persons may from time to time act as trustee, administrator, registrar, manager, custodian, investment manager, investment adviser, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of any Sub-Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund and the Sub-Funds. The Manager will take all reasonable steps to identify, prevent, manage and monitor any actual or potential conflicts of interest. If conflicts arise, each of the Manager and the Trustee will, at all times, have regard in such event to its obligations to the Fund and the Sub-Funds and will endeavour to ensure that such conflicts are managed and minimized so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the best interests of the Unitholders of the relevant Sub-Fund as a whole. In any event, the Manager shall ensure that all investment opportunities will be fairly allocated and all transactions are effected in good faith at arm’s length and in the best interests of the relevant Sub-Fund on normal commercial terms.

In effecting the following transactions, the Manager shall ensure that the relevant requirements under the section headed “**Transactions with Connected Persons, Cash Rebates and Soft Dollars**” above are complied with:

- (a) transactions for the account of any Sub-Fund with brokers or dealers connected to the Manager, the Trustee or any of their connected persons; and
- (b) transactions by or through a broker or dealer with whom the Manager and/or any of its Connected Persons has an arrangement under which that broker or dealer will from time to time provide to or procure for the Manager and/or any of its Connected Persons goods or services and for which no direct payment is made.

Cash forming part of the property of a Sub-Fund may be placed on deposit with the Manager, the Trustee or any of their connected persons (being an institution licensed to accept deposits) so long as such cash deposit shall be maintained in a manner that is in the best interests of the Unitholders of the relevant Sub-Fund, having regard to the prevailing rate for a deposit of similar type, size and term, negotiated at arm's length in accordance with the ordinary and normal course of business.”

Guotai Junan Assets (Asia) Limited

29 April 2020

The Explanatory Memorandum may only be distributed if accompanied by this First Addendum.