

# Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jul 2015



## 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.
- Investment involves risks. The price of units may go down as well as up. Past performance is not indicative of future performance. Please refer to the explanatory memorandum for further details and the risk factors.

## 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

|                              | 2007 <sup>1</sup> | 2008   | 2009  | 2010  | 2011   | 2012  | 2013  | 2014 | 2015 <sup>2</sup> |
|------------------------------|-------------------|--------|-------|-------|--------|-------|-------|------|-------------------|
| The Fund (%)                 | 12.93             | -61.96 | 99.45 | 12.15 | -33.38 | 18.42 | 12.02 | 1.36 | -3.66             |
| Hang Seng Total Return Index | 1.55              | -46.40 | 56.65 | 8.57  | -17.38 | 27.46 | 6.55  | 5.48 | 6.74              |

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Jul 2015

|                              | 1 Mth  | 3 Mths | 6 Mths | YTD   | 1 Yrs | 3 Yrs | 5 Yrs |
|------------------------------|--------|--------|--------|-------|-------|-------|-------|
| The Fund (%)                 | -18.05 | -26.37 | -3.66  | -3.66 | -2.64 | 35.81 | 0.52  |
| Hang Seng Total Return Index | -6.09  | -10.90 | 2.81   | 6.74  | 2.72  | 38.70 | 39.73 |

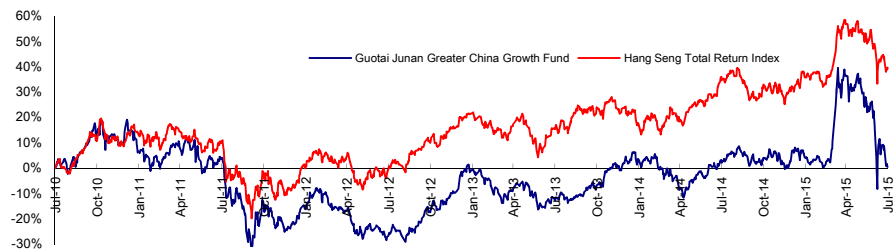
Last update: 31 Jul 2015

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            | Cayman Islands                     |
| Trustee & Registrar | HSBC Trustee (Cayman) Limited      |
| Auditor             | Ernst & Young Limited              |
| Dealing Frequency   | Daily                              |
| Base Currency       | Hong Kong Dollar                   |
| NAV                 | HKD 80.44                          |
| Bloomberg Code      | GJGCHGR HK Equity                  |
| ISIN Code           | KYG421241004                       |

## 5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Jul 2015

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

## 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.

## Contact

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\*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

## Top Ten Holdings

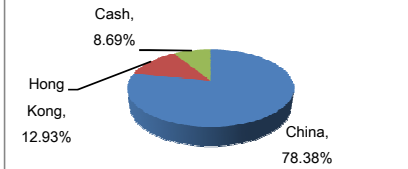
|                                | %    |
|--------------------------------|------|
| Haitong International Security | 7.68 |
| HKEX                           | 5.25 |
| CRRC                           | 5.13 |
| Intime Retail                  | 4.34 |
| China Petroleum & Chemical     | 3.91 |
| Smi Holdings                   | 3.89 |
| Sinopec Shanghai Petrochemical | 3.73 |
| Shanghai Electric              | 3.59 |
| Datang International Power     | 3.43 |
| China Mobile                   | 3.38 |

## Industry Allocation<sup>4</sup>

|                            |        |
|----------------------------|--------|
| Cash                       | 8.69%  |
| Health Care                | 3.28%  |
| Telecommunication Services | 3.38%  |
| Energy                     | 3.91%  |
| Information Technology     | 4.58%  |
| Materials                  | 9.08%  |
| Utilities                  | 9.68%  |
| Consumer Discretionary     | 12.63% |
| Industrials                | 19.12% |
| Financials                 | 25.65% |

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

## Exposure by Major Revenue Source<sup>3</sup>



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

## Dividend Distribution History (Since Launch)

| Record Date | Distribution Per Unit | Fund Price On Record Date |
|-------------|-----------------------|---------------------------|
| 30-Jun-15   | HKD 3.03              | HKD 100.9                 |

## Market Outlook and Investment Strategy

The second quarter GDP growth rate of US reached 2.3%, along with improving labor data. US Fed reiterated to hike interest rate by the end of this year. US dollar remains strong, while the prices for gold, oil and other commodities collapsed. Investors' risk appetite continued shrinking, and the funds continued the outflow from emerging markets. China's economy is still in the restructuring period as second quarter GDP growth rate stabilized at 7%; while the major leading indicators showed weak outlook for third quarter. The latest Politburo meeting warned that the economy faces "persistent and tremendous downward pressure". The new growth drivers for economy remain tepid (i.e. high-end manufacturing, internet economy and domestic consumption etc.); and the de-capacity / de-stocking process of old economy is still on. We remain cautious outlook for China's economy in second half of the year. We believe that the policies will remain amiable in second half of the year as the central government will keep the expanding fiscal policies and loosening monetary policies. For the short term, we remains cautious for Hong Kong market as the sentiment shall focus on the fundamentals during the result report season.

## Disclaimer

The information and data contained in this document is for reference only and does not constitute investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service.

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Investment involves risk. The prices of units may go up as well as down. Past performance is not indicative of future performance. Please refer to the Explanatory Memorandum for details including risk factors.

This document is issued by Guotai Junan Assets (Asia) Limited and has not been reviewed by the Securities and Futures Commission.