

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jul 2018



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 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 92.67
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%
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	Waive

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

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

Market Outlook and Investment

Nasdaq has rallied by over 2% to new high, supported by majority of strong corporate earnings, though Netflix and Facebook reported bear results and triggered huge selling pressure, while macro data also reported encouraging figures. ISM Manufacturing Index of July contracted to 58.1 from 60.2 of the previous month, and the unemployment rate kept at 4% level. However, the trade war issue between US and China has intensified, as President Trump mentioned he is ready to tax all \$500bn Chinese imports. The President has also been complaining that the strengthening dollar has been hurting US business. We believe that the slowing but steady global macro recover has not stopped, yet we shall see more bumps down the road and would prepare for the increasing volatility.

China reported mixed data. In particular, the official manufacturing PMI in July recorded at 51.2, which stayed in expansionary territory for the 24th consecutive month, while the Exports growth kept relatively flat at 11.3% compared to the previous 12.6%. We expect the CPI to keep flat or rising mildly thanks to the rising of both commodity prices and hog price, while the tariff hike on US-imported soybean might cast an upside risk in CPI. As for the stock market, the CSI300 stopped falling trend and rebounded to 3517.66, thanks to the recently released new asset management rules, which was loosed than the market expected, leaving room for banks and financial institutions to gradually reduce their risk exposure. Looking forward, we believe that the de-leverage action targeting at financial institutions will remain the theme, although there would be mild strategic easing adjustment to prevent systematic risk. We are cautiously optimistic in Hong Kong/China equities due to the recent market correction and have already reduced positions, and would wait for positive signals and catalysts, such as strong corporate earnings, to form our trading strategies.

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.

Certain data in this document has been obtained from third parties. Guotai Junan Assets (Asia) Limited has taken its best endeavour to ensure the accuracy of such data, and in good faith believes it is reliable, and however does not guarantee the accuracy of such data.

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.

Fund Performance

	2007 ¹	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ²
The Fund (%)	12.93	-61.96	99.45	12.15	-33.38	18.42	12.02	1.36	-4.12	-8.66	27.53	-0.63
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	5.48	-3.92	4.30	41.29	-2.08

1. Calculated since the launch of the Fund as at 19 November 2007.

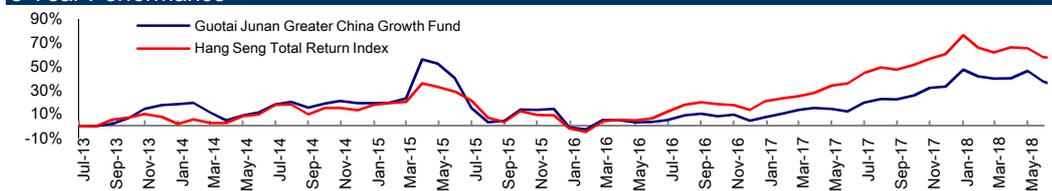
2. Measured as of 31 Jul 2018

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-3.73	-5.59	-10.26	-0.63	10.52	15.20	32.40
Hang Seng Total Return Index (%)	-0.45	-5.37	-10.92	-2.08	8.56	29.90	57.27

Last update: 31 Jul 2018

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

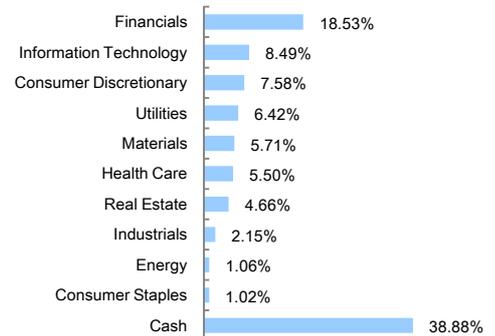
Last update: 31 Jul 2018

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

Top Ten Holdings

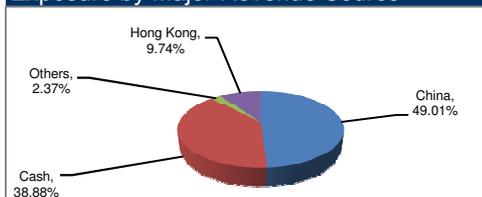
	%
AIA	3.83
Tencent	3.47
Sinopec Shanghai Petrochemical	3.16
Ping An Insurance	3.05
China Merchants Bank	3.00
China Taiping Insurance	2.93
China Gas	2.67
China Resources Cement	2.50
China Pharmaceutical	2.29
Link Reit	2.17

Industry Allocation⁴



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

Exposure by Major Revenue Source³



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