

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Mar 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	-10.25
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	-15.88

1. Calculated since 1 Jan 2008

2. Measured as of 31 Mar 2020

Fund Facts

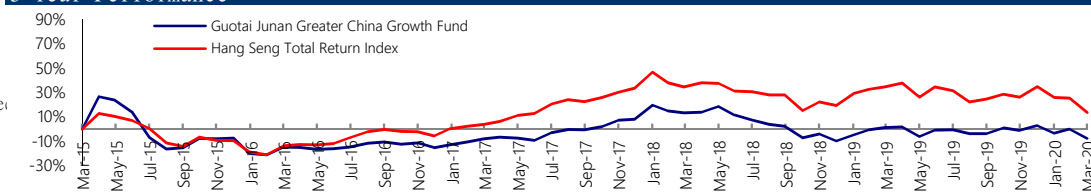
Manager Guotai Junan Assets (Asia) Limited
Inception Date 19 Nov 2007
Domicile Hong Kong
Trustee & Registrar HSBC Institutional Trust Services (Asia) Limited
Auditor Ernst & Young Limited
Dealing Frequency Daily
Base Currency Hong Kong Dollar
NAV HKD 79.73
Bloomberg Code GJGCHGR HK Equity
ISIN Code HK0000315355

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-7.71	-10.25	-4.00	-10.25	-8.78	0.26	-7.48
Hang Seng Total Return Index (%)	-9.53	-15.88	-8.85	-15.88	-15.73	9.12	13.64

Last update: 31 Mar 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: 31 Mar 2020

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

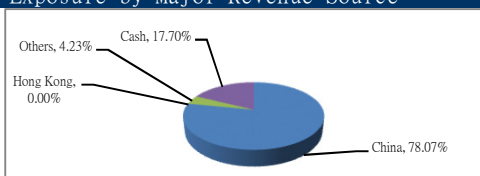
Subscription and Redemption

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.

Top Ten Holdings

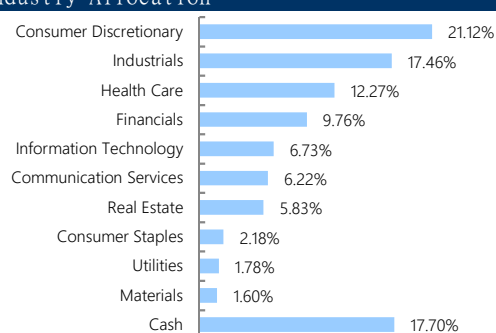
Company	%
Alibaba Group Holding Ltd	8.04
Tencent Holdings Ltd.	6.22
China Lesso Group Holdings Ltd	5.62
Meituan Dianping	5.57
China Construction Bank Corpor	4.52
Zoomlion Heavy Industry Scienc	3.35
Wuxi Biologics Cayman Inc	3.29
Country Garden Services Holdin	3.28
China Merchants Bank Co. Ltd	3.12
Times Neighborhood	2.96

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.

Contact

Ms. Kathy Yuen
Phone: (852) 2509 7746
Fax: (852) 2509 7784

*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 again following last month's drop on the outbreak of COVID-19 virus that shadowed the global economic growth, with Dow Jones plunged by 13.74%, while S&P 500 was down by 12.51%, and Nasdaq has corrected by 10.12%. The US weekly jobless claims for the week ending March 21 totaled a historical high at 3,283,000, and ISM Manufacturing Index of March declined to 49.1 from 50.1 in March and fell into contraction area. We believe the foundation of global economy growth would be shaken by the outbreak and spread of COVID-19. Fed announced on March 23rd extensive new measures to support the economy as the number of coronavirus cases continues to increase, including the provision of up to \$300 billion in new financing for employers, consumers, and businesses. We tend to be cautious toward the market condition, as both sentiment and fundamental would have a large probability to see strong headwinds ahead.

Chinese reported mixed figures. The official manufacturing PMI in March was reading surprisingly high figure at 52, while the Caixin PMI also reported expanding figure at 50.1. CPI remained at high level at 5.2% which meet the consensus, 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 6.44% to 3,686, due to the concern on the COVID-19 pandemic spread world widely.

In regard to our investment strategy for Hong Kong/China market, although the prospect of trade war is less cloudy due to the phase one deal has been reached, we tend to be cautious on the market of 2020, as the COVID-19 pandemic arouse the concern on the global economic fundamental growth, though the situation in China has been largely in control and the economic activity has gradually resume back to normal. We think the domestic epidemic would hopefully cleared in 2Q. Hong Kong local names would continue to be under pressure thanks to both the political dilemma and the increasing virus cases. We believe in longer term the fundamental results will act as the major driver of market direction, and we would keep flexible cash level accordingly.

Disclaimer

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