

# Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



Monthly Report - 31 Oct 2017

## 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 88.04
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

## Fund Performance

	2007 <sup>1</sup>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 <sup>2</sup>
The Fund (%)	12.93	-61.96	99.45	12.15	-33.38	18.42	12.02	1.36	-4.12	-8.66	20.39
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	33.24

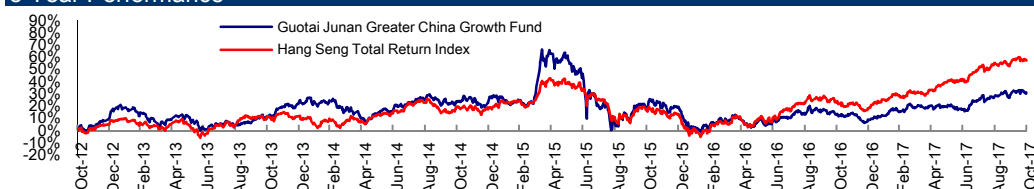
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Oct 2017

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.68	5.00	9.12	20.39	16.35	5.73	31.11
Hang Seng Total Return Index (%)	2.64	4.54	18.45	33.24	28.01	31.48	57.27

Last update: 31 Oct 2017

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 Oct 2017

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

## Subscription and Redemption

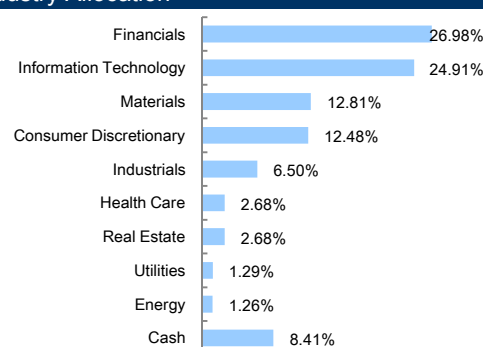
Min. Initial Subscription	HKD 10,000
Subscription Fee	Up to 5%
Annual Management Fee	1.5%
Redemption Fee*	
Less than 6 mths	1%
6 mths or more but less than 12 mths	0.75%
12 mths or more but less than 18 mths	0.50%
18 mths or more but less than 24 mths	0.25%
24 mths or more	Waive

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

## Top Ten Holdings

	%
Tencent	9.51
Ping An Insurance	9.31
HKEX	7.09
China Molybdenum	4.14
Alibaba	4.12
China Merchants Bank	4.05
Sinopec Shanghai Petrochemical	3.79
China Taiping Insurance	3.43
Geely Automobile	3.28
HSBC	3.11

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



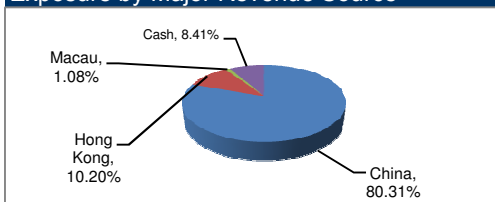
4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

## Contact

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\*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HK SAR

## 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

The global economy remains on the steady growth track. US reported strong ISM manufacturing PMI in October (58.7). US Fed reiterated on tapering and interest rate hike. BOE also indicated plans for ending the QE programs and possible interest rate hike in future. Japan's Nikkei Manufacturing PMI also remained at the expansion territory for 15 months. We believe that the amiable economic environment will help to bolster the strong performance of global equities.

China also kept reporting encouraging macro data. In particular, the official manufacturing PMI in October recorded at 51.0, which stayed in expansionary territory for the 15th consecutive month. As the 19th Party's meeting was successfully concluded in October, the central government's management team has been smoothly shifted. China's top management also set the mid-to-long growth goal for the country, as to upgrade China's economy to the mid-level of the developed countries by year 2035. The central government will still focus on SOE reform and environmental protection.

Looking forward to the rest of the year, we remain positive in Hong Kong / China equities. In regard to our investment strategy, we will keep the well-balanced sector mix, and we will keep relatively high equity exposure on domestic A-share market. We will tilt in sectors that will benefit from the consumption upgrade momentum in China, such as the domestic consumption and technology leaders. In light of the global growth recovery, we also will seek opportunity in quality exporters which exhibit solid market shares and margin expansion.

## 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.

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