

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Jun 2018



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 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 96.26
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

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	3.22
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	-1.63

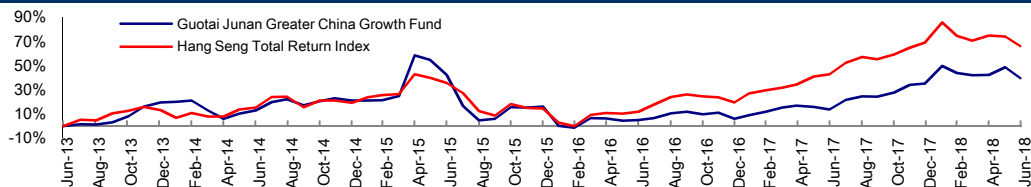
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 30 Jun 2018

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-6.04	-1.66	3.22	3.22	22.70	-1.94	39.59
Hang Seng Total Return Index (%)	-4.52	-2.53	-1.63	-1.63	16.29	22.53	66.21

Last update: 30 Jun 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: 30 Jun 2018

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.

Contact

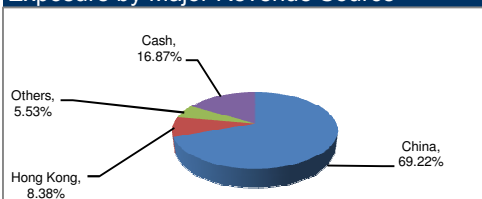
Ms. Kathy Yuen
Phone: (852) 2509 7746
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*The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of HKSAR

Top Ten Holdings

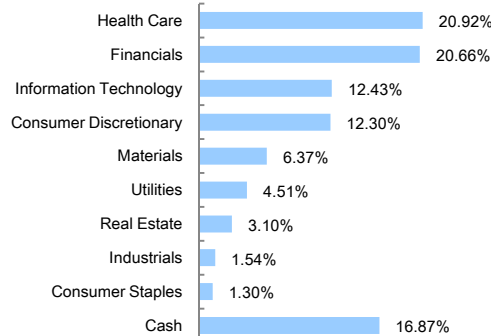
Company	%
China Pharmaceutical	9.63
Tencent	6.40
Wisdom Education	5.56
Wuxi Biologics	5.53
HKEX	3.83
Sinopec Shanghai Petrochemical	3.73
Ping An Insurance	3.52
AIA	3.34
China Merchants Bank	3.29
China Taiping Insurance	3.11

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.

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

Nasdaq Index has break into new high and increased by 0.92% to 7510, supported by strong corporate earnings, while macro data also reported encouraging figures. ISM PMI of June expanded further to 60.2 from 58.7 of the previous month, and the unemployment rate dropped to 3.8%. Markets increased their expectations for a fourth interest rate hike this year after the US Fed released its economic projection and raised its benchmark short-term interest rate for the second time this year. Besides, the trade war issue between US and China has not been addressed properly, and may continue to be seen on headlines for the foreseeable future. Both CNY and CNH see huge downward pressure and USDCNH break the 6.6 level. 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 coming volatility.

China reported mixed data. In particular, the official manufacturing PMI in June recorded at 51.5, which stayed in expansionary territory for the 23rd consecutive month, while the Exports growth remained at double digit growth at 12.6%. We expect the CPI to keep flat or rising mildly thanks to rising commodity prices and the easing hog price, though the potential tariff hike on US-imported soybean might cast an upside risk in CPI if US and China fail to solve the trading issues smoothly. As for the stock market, the CSI300 plunged sharply by 7.66% to close at 3,510.98, triggering by the de-leverage actions and limited liquidity.

Looking forward to 2H18, we believe that the de-leverage action aiming at the prevention of systemic risk will remain the theme, and the recent released guidelines for asset management industry targeting at shadow banking has confirmed our view. We are conservatively positive in Hong Kong/China equities and especially favor sectors that can deliver solid results and will be benefited from the consumption upgrade momentum in China, such as the TMT and healthcare sector, though increasing volatility would be a concern, and we would turn to a more conservative position to accommodate the volatile market condition.

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.