

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Oct 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 80.25
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.

Contact

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

Market Outlook and Investment

The geopolitical risk shadowed the global financial market, while macro economy delivered divergent figures. US ISM Manufacturing Index recorded 57.7 in Oct and the unemployment rate dropped further to 3.7%. However the uncertainty from US mid-term election coupled with Euro zone's disappointing figures which reveals slower than market expected recovery have put tremendous pressure on equity market. During the month NASDAQ Composite has recorded sharply correction by down 9.2%. On the other hand, we believe that the trade dispute between China and US has enter a crucial stage that may decide future direction, while at the same time EM market shall see rebound ahead.

China official manufacturing PMI in Oct recorded at 50.2 which stayed in expansionary territory for the 27th consecutive month, while the Exports growth increased to 14.5% compared to the previous 9.8%, though the acceleration was likely due to the frontload order to avoid future tariff hike. We expect the CPI to remain above 2% level, as the hog price rebounded sharply due to the spread of swine fever, while vegetable prices are boosted by several weather events. PBOC has cut the reserve requirement ratio by 100 bps that result in an injection of 750 billion Yuan in cash into the banking system, which was viewed as a defensive gesture toward downside risk of macro economy. As for the stock market, the CSI300 decreased significantly by 8.29% to 3,153.82, triggered by the worry that a drop in stock prices would force the selling of shares used as collateral, and lead to further market declines. We think there are might be a chance that the correction has come into a later stage and a rebound could be expected in short term, and may accumulate positions accordingly. In long run, however, we still feel cautious toward the fundamentals, as china is in pain with both external and internal issues, including broken liquidity chain and policy uncertainties that may slow down fund flow to private sectors. Looking forward, we will focus on fundamental analysis and identify leading sectors and names with strong growth certainty and quality, to accommodate our investment strategy.

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.

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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	-13.95
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	-13.65

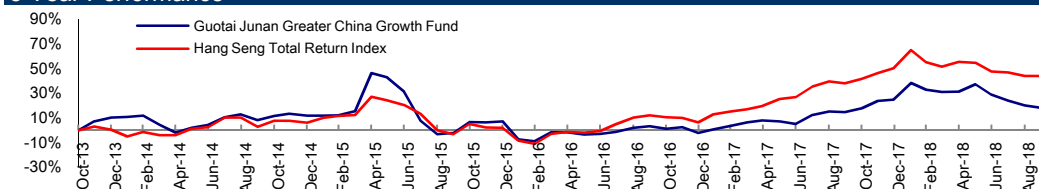
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Oct 2018

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-9.10	-13.40	-18.25	-13.95	-8.85	0.64	7.43
Hang Seng Total Return Index (%)	-9.97	-11.82	-16.55	-13.65	-8.43	23.33	29.62

Last update: 31 Oct 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

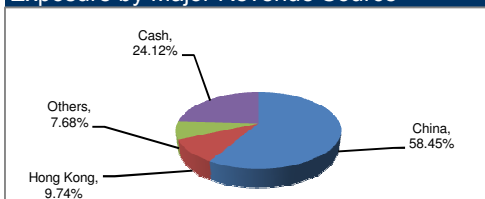
Last update: 31 Oct 2018

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

Top Ten Holdings

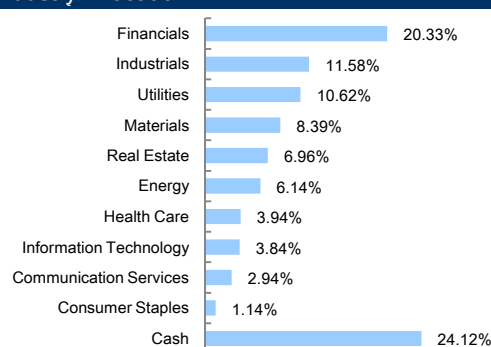
	%
CLP	5.78
China Merchants Bank	4.97
BOC Aviation	4.81
AIA	4.61
Hong Kong & China Gas	4.60
China Pharmaceutical	3.69
Link Reit	3.64
BOC Hong Kong	3.45
Ping An Insurance	3.43
Sinopec Shanghai Petrochemical	3.36

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