

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Dec 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 78.03
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

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 has showed rather strong short term numbers, with ISM Manufacturing PMI recorded 54.1 in Dec, though the financial market has seeing tremendous selling pressure. During the month, Nasdaq crashed by 9.5%, Dow Jones dropped by 8.7% and S&P 500 plunged by 9.2%. The market seemed concerned on the long term economy growth of US as well as the Fed's rates hike plan, yet on Dec 19 the Fed took the target range for its benchmark funds rate from 2.25% to 2.5%, and forecast two hikes next year, down from three rate raises previously projected. President Trump is unsatisfied with Fed rates hike decision. EM market reported disappointing macro figures. We believe the market concerns on global macro slow down as well as meaning full correction for US market, and would adopt cautious and conservative attitude for trading activities.

China official manufacturing PMI in Dec recorded at 49.4, which fell into contraction territory for first time since June 2016, and the Exports growth recorded only 5.4% compared to the previous 15.6%, which we believe is largely due to the seasonality effect. We expect the CPI to remain above 2% level, as a slowdown in prices of food was offset by a faster rise in cost of non-food products. The market now is expecting more easing monetary policies and expanding fiscal policies, namely interest rate cut or RRR cut to come out in next year. As for the stock market, the CSI300 pulled back by 5.1% to 3,010.65.

In regard to our investment strategy for Hong Kong/China market, we think that the yearend rebalancing and calendar effect may cause some abnormality regarding stock performance for short term, 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, while US market may face serious correction. 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.

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	-16.33
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	-10.54

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

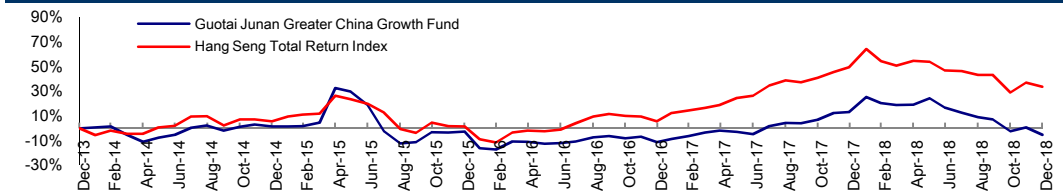
2. Measured as of 31 Dec 2018

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-5.83	-11.61	-18.94	-16.33	-16.33	-2.54	-5.28
Hang Seng Total Return Index (%)	-2.48	-6.73	-9.06	-10.54	-10.54	31.82	33.61

Last update: 31 Dec 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

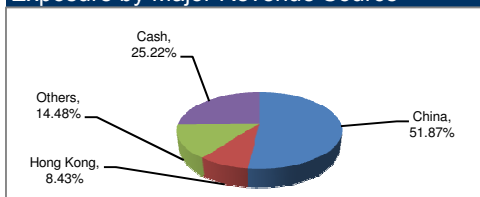
Last update: 31 Dec 2018

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

Top Ten Holdings

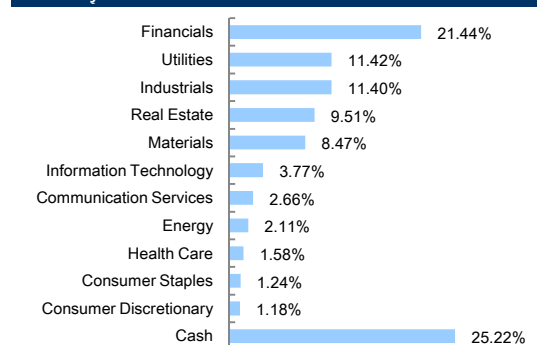
	%
China Merchants Bank	7.31
CLP	6.01
BOC Aviation	4.92
Ping An Insurance	4.69
Hong Kong & China Gas	4.12
Link Reit	4.04
China Railway	3.63
Anhui Conch Cement	3.22
China Resources Land	3.07
China Taiping Insurance	2.85

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