

# Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"



## Monthly Report - 28 Feb 2019

### 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 85.84
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

US stock market has continued the uptrend from last month, with Dow Jones increased by 3.67%, while S&P 500 gained by 2.97%, and Nasdaq has recovered by 3.44%, though the macro figures were less stunning than expected. Fed is considering whether to allow inflation to rise above their 2% target more often as they grapple with the likelihood that interest rates remain much lower than in the past. We believe the fundamental in US holds solid as the disposable income increase, which may benefit topline growth, while the margin might flatten as wages go up; however, after 2 consecutive months of rebound, we believe the possibility for correction is accumulating.

China official manufacturing PMI in Feb recorded at 49.2 which remained in contraction territory for 3rd month, with exports growth at 9.1% and imports recorded -1.5%. CPI slowed to 1.7% in January 2019 from 1.9% in the previous month and below market consensus of 1.9%. It was the lowest inflation rate since January 2018, as food prices rose at a softer pace.

The Sino-US trade dispute was heading to a bright way and we assume the issue shall be addressed properly, at least temporarily. Prospects for a resolution of the Sino-US trade war have buoyed market sentiment, as for the stock market, the CSI300 rebounded sharply by 14.61% to 3669.37.

In regard to our investment strategy for Hong Kong/China market, we think that the market would focus more on fundamentals as the result season is approaching. The possibility that we see consensus-beating results is significant due to the fact that analysts have already adjusted forecasts to very bearish numbers. However the catalysts have already been priced in during the past month rebounding. Although we think the rebound has not finished, yet in long run, we still feel cautious toward the fundamentals, as China's growth rate is gradually slowing down, while the global macro economy is not performing well. 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

	2008 <sup>1</sup>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 <sup>2</sup>
The Fund (%)	-61.96	99.45	12.15	-33.38	18.42	12.02	1.36	-4.12	-8.66	27.53	-16.33	10.01
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	11.07

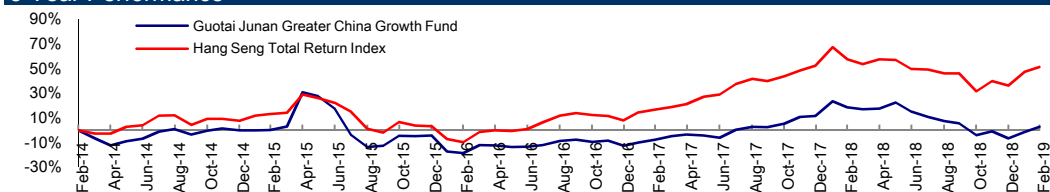
- Calculated since 1 Jan 2008
- Measured as of 28 Feb 2019

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	4.28	3.60	-4.26	10.01	-13.47	26.14	2.70
Hang Seng Total Return Index (%)	2.71	8.32	3.64	11.07	-3.84	67.82	51.36

Last update: 28 Feb 2019

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

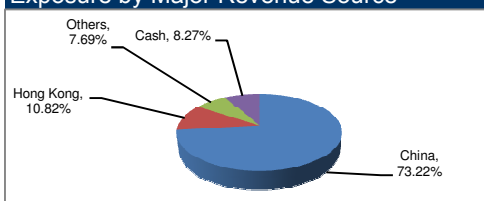
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### Top Ten Holdings

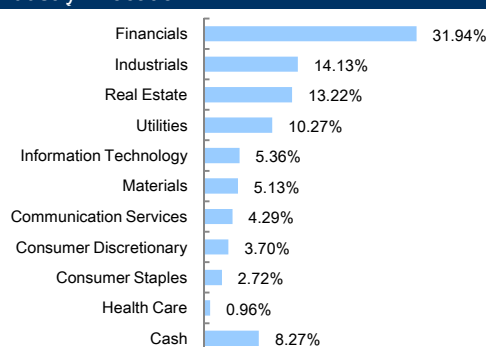
	%
China Merchants Bank	9.55
BOC Aviation	6.00
Hong Kong & China Gas	4.82
HKEX	4.78
Link Reit	4.71
China Railway	4.13
China Railway Construction	4.00
Ping An Insurance	3.95
China Taiping Insurance	3.36
AIA	3.33

### Exposure by Major Revenue Source<sup>3</sup>



3. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

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



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