

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jul 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 85.91
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 remained in trading range, with Dow Jones was up by 0.99%, while S&P 500 was up by 1.31%, and Nasdaq has increased by 2.11%. The U.S. macro economy reported mixed data, notably the ISM Manufacturing Index of July was 51.2, which miss the consensus of 52, while inflation declined further to 1.6% from previous 1.8%. Market sentiment slightly improved since the trade tension seemed to be eased after the both parties meet in Shanghai. The Fed cut interest rates by 25 bps on July 31, as it tried to keep America's record-long economic expansion going by insulating the economy from mounting global risks. However the decision disappointed both markets and Mr. Trump, who were hoping for a bigger rate cut.

China official manufacturing PMI in July was 49.7, still remained in contraction area, while the Export growth dropped to -1.3% from previous 1.1%. CPI remained at high level at 2.7% in June, mainly due to a surge in prices of food as an outbreak of African swine fever sent the price of pork soaring. As for Sino-US trade dispute we are not quite optimistic on the prospectus of trade talk due to President Trump's unpredictable behavior. As for the stock market, the CSI300 increased mildly by 0.26% to 3835.36.

In regard to our investment strategy for Hong Kong/China market, as the prospects of trade war are still unclear, a rebound in global trade and capex later in the year are less likely, we would like to look for some stabilization in momentum before considering a further movement. As the earning season approaching, the market shall focus more on earning results of listed companies. Domestic demand oriented sectors, such as food and beverage, has already been traded at an extended valuation, which would require beat consensus earnings to support, while tech sectors were suffered from trade dispute during 1H and may reported disappointing numbers. We believe in longer term the fundamental results will act as the major driver of market direction, and we would keep flexible cash level accordingly.

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

	2008 ¹	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ²
The Fund (%)	-61.96	99.45	12.15	-33.38	18.42	12.02	1.36	-4.12	-8.66	27.53	-16.33	10.10
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	10.18

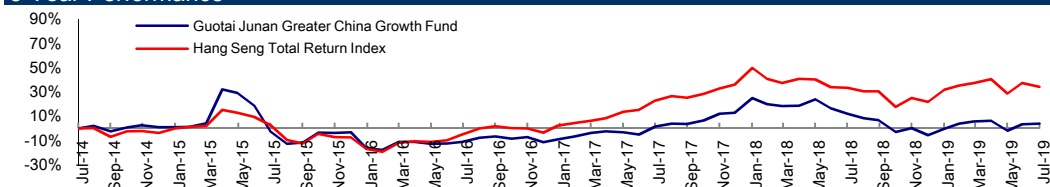
- Calculated since 1 Jan 2008
- Measured as of 31 Jul 2019

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	0.47	-2.31	4.36	10.10	-7.29	16.82	3.98
Hang Seng Total Return Index (%)	-2.29	-4.51	1.89	10.18	0.66	41.34	34.31

Last update: 31 Jul 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

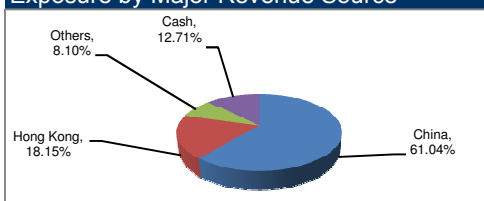
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Top Ten Holdings

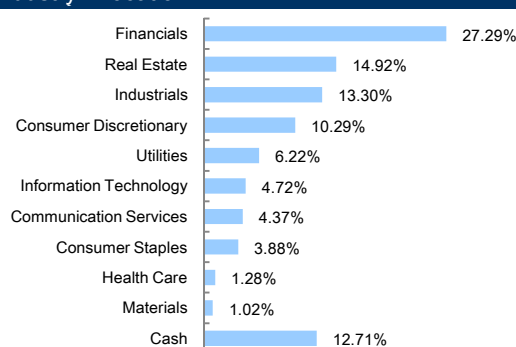
	%
Ping An Insurance	8.92
Alia	6.91
BOC Aviation	5.62
Hong Kong & China Gas	4.84
HKEX	4.46
Tencent	4.37
China Merchants Bank	4.03
Link Reit	3.86
Zoomlion Heavy Industry	2.76
Alibaba	2.74

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