

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Oct 2019



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 87.23
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	HK0000315355

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	11.79
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	7.76

1. Calculated since 1 Jan 2008

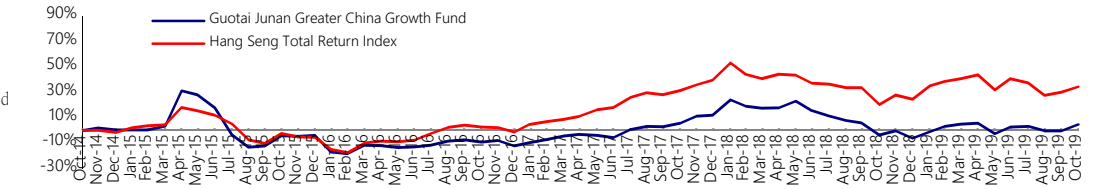
2. Measured as of 31 Oct 2019

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	5.03	1.54	-0.81	11.79	8.70	15.28	4.76
Hang Seng Total Return Index (%)	3.29	-2.19	-6.60	7.76	11.64	30.86	34.40

Last update: 31 Oct 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

Last update: 31 Oct 2019

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% p.a.
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	Waived

* Redemption fee will be waived for investors who subscribed through nominee account.

Contact

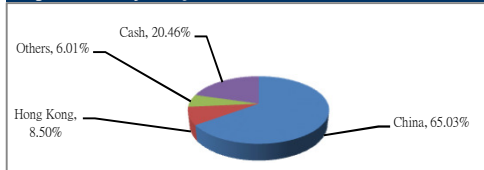
Ms. Kathy Yuen
Phone: (852) 2509 7746
Fax: (852) 2509 7784

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

Top Ten Holdings

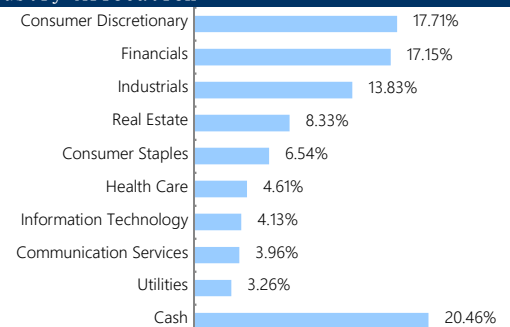
Company	%
Ping An Insurance (Group) Co.	7.56
Aia Group Ltd	5.45
Boc Aviation Ltd	5.12
China Lesso Group Holdings Ltd	3.38
China Merchants Bank Co. Ltd	3.12
Tencent Holdings Ltd.	3.12
Nissin Foods Co Ltd	2.95
China Resources Land Ltd.	2.79
Zoomlion Heavy Industry Scienc	2.40
Alibaba Group Holding Ltd	2.32

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

US stock market's sentiment warmed up, with Dow Jones closed up by 0.48%, while S&P 500 was up by 2.04%, and Nasdaq has increased by 3.66%. The U.S. macro economy reported mixed data, notably the ISM Manufacturing Index of Oct was 48.3, missing market expectations of 48.9. The latest reading pointed to the third straight month of contraction in the manufacturing sector, as output fell faster while new orders and employment declined at a softer pace. Fed reduced interest rates by a 25 bps on Oct 31 the third time this year and signaled a pause in further cuts unless the economic outlook changes materially.

Chinese also reported divergent figures. The official manufacturing PMI in Oct was 49.3, which bears the consensus of 49.8 and previous 49.8, remaining in contraction area, while the Caixin PMI reported surprisingly strong data at 51.7. Export growth dropped to -3.2% from previous -1%. CPI remained at high level at 3% in Sept, beating the consensus of 2.9%, mainly due to a surge in prices of food as the outbreak of African swine fever sent the price of pork soaring. As for Sino-US trade dispute, as both parties are making effort to reach a partial deal, we believe a Phase one deal may be possible. As for the stock market, the CSI300 was up by 1.89% to 3886.75.

In regard to our investment strategy for Hong Kong/China market, as the prospects of trade war are still unclear while the possibility of global growth slowing down is increasing, a rebound in global trade and capex later in the year are less likely, we tend to be cautious for long term investment horizon, but believe there might be short term tradable rally in the last quarter of this year. Domestic demand oriented sectors, such as consumer discretionary and healthcare, showed relatively strong resilience, while tech sectors has been welcomed due to China's faster than expected implement of 5G construction. 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

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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..