

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 May 2013



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.
- Investment involves risks. The price of units may go down as well as up. Past performance is not indicative of future performance. Please refer to the explanatory memorandum for further details and the risk factors.

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 Performance

	2007 ¹	2008	2009	2010	2011	2012	2013 ²
The Fund (%)	12.93	-61.96	99.44	12.15	-33.37	18.42	2.37
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	-0.09

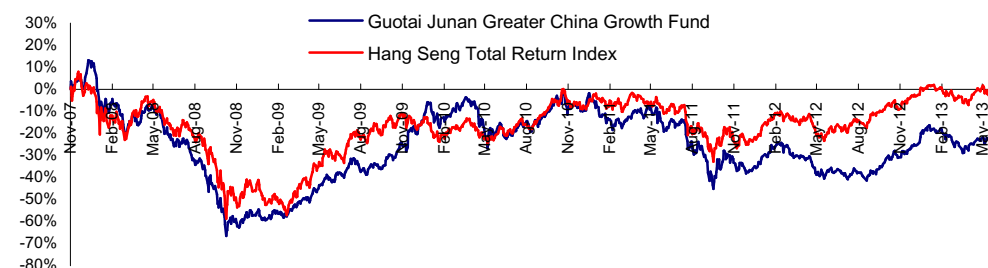
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 May 2013

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.41	-2.21	8.41	2.37	24.77	-5.87	-14.33
Hang Seng Total Return Index (%)	-0.87	-1.69	2.77	-0.09	24.12	24.24	7.12

Fund Facts

Manager	Guotai Junan Assets (Asia) Limited
Inception Date	19 Nov 2007
Domicile	Cayman Islands
Trustee & Registrar	HSBC Trustee (Cayman) Limited
Auditor	Ernst & Young Limited
Dealing Frequency	Daily
Base Currency	Hong Kong Dollar
NAV	HKD 77.61
Fund Size	HKD129.32 Million
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 May 2013

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

Top Ten Holdings

	%
Hilong	6.37
China All Access	6.17
Haier Electronics	4.92
China Life Insurance	4.19
Ping An Insurance	3.80
China Minsheng Banking	3.68
Sinopec	3.10
China Taiping Insurance	3.09
China Datang Corp Renewable	2.97
China State Construction Intl	2.90

Industry Allocation⁴

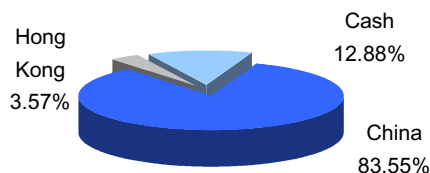
Cash	12.88%
Telecom	2.35%
Services	2.36%
Materials	4.19%
Consumer	5.33%
Staples	6.14%
Health Care	7.37%
Utilities	11.68%
Information	13.30%
Technology	14.06%
Energy	20.36%
Consumer	
Discretionary	
Financials	

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[^]The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

Exposure by Major Revenue Source³



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

4. Based on the Bloomberg: Industry Classification System.

Market Outlook and Investment

We expect the U.S. Fed may scale back its bond repurchase program in the second half of this year. We also believe some investors have started to build up some interest rate hike expectations as the yields of the U.S. treasuries picked up. In China, the trend of Chinese official PMI figure in May was incongruent with the HSBC PMI figure, which dropped from 50.4 in April to 49.2 in May. This incongruent trend indicated that the growth of the manufacturing sector would be highly unpredictable. After the leadership change, we expect that the new leaders would prefer a mild but more sustainable growth, which implies that large scale fiscal policies for economic stimulus plans in the near term are less likely to be implemented. Our strategy is to give priority to the sectors, such as oil and gas services and clean energy, which are highly beneficial from the central government's the twelfth five-year plan with a clear growth outlook.

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.

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