

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 28 Feb 2014



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	2014 ²
The Fund (%)	12.93	-61.96	99.44	12.15	-33.37	18.42	12.02	1.46
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	-1.96

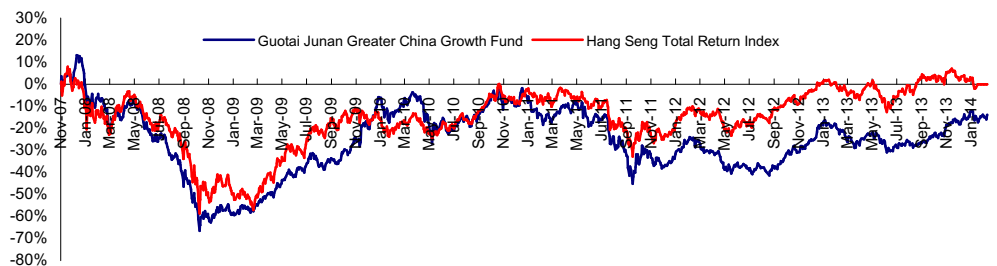
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 28 Feb 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	0.91	4.34	19.72	1.46	8.57	4.32	100.98
Hang Seng Total Return Index (%)	3.70	-4.31	5.89	-1.96	2.79	8.57	110.07

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 86.16
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 28 Feb 2014

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

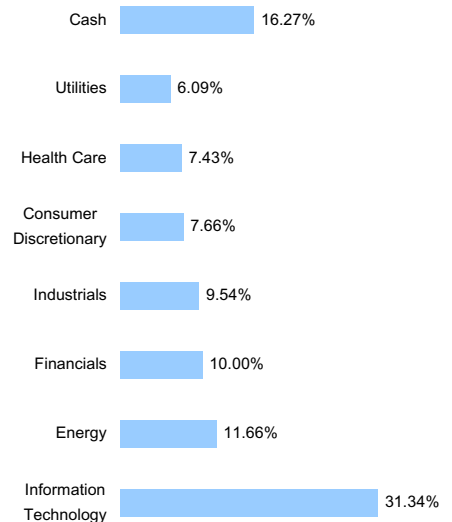
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^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

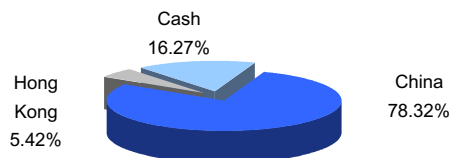
Top Ten Holdings

	%
Tecent	7.80
China All Access	7.25
SMIC	3.81
Merry Garden Holdings	3.70
China Medical System	3.68
China Everbright International	3.50
China State Construction Intl	2.84
Lenovo Group	2.51
Concord Medical Services	2.41
China Datang Renewable	2.41

Industry Allocation⁴



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

Fund continued to flow out from emerging markets to developed markets as US Fed's tapering. Geopolitical turmoil also caused higher volatility in FX and equity markets.

China's macro data in January were weak but in-line with the expectation. During the "two meetings", the central government proposed the economic targets for 2014, which have been well expected to the market. The target GDP growth would be 7.5%, achievable and reasonable. The target FAI growth would be lowered to 17.5% (the actual FAI growth rate was 19.6% in 2013); while the target retail sales growth would stay at 14.5% (the actual growth was 13.1% in 2013). Credit risk is still an overhang, and monetary policy has no room for easing.

We reiterated that we saw limited opportunity for the broad market performance, while we were relatively optimistic on sectors which were enjoying steady growth:

- Mobile internet applications: The Online to Offline (O2O) solutions will boost the applications of mobile internet, as a number of traditional sectors (retailing, financial, logistics and healthcare etc.) are busy building their own online platforms to cope with the rapid change of customers' behaviors. We see huge demand for mobile internet applications, especially service providers for O2O platform.
- Environmental Protection: A number of rules and regulations related to waste water treatment and soil restoring will be released after the "two meetings". A more practical action plan on air pollution treatment will also be released in 1H14, which is expected to involve an amount of investment of more than RMB1 trillion in this sector. We see huge potential for environmental protection service providers in medium-to-long term.

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.