

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Apr 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	-11.15
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	-4.54

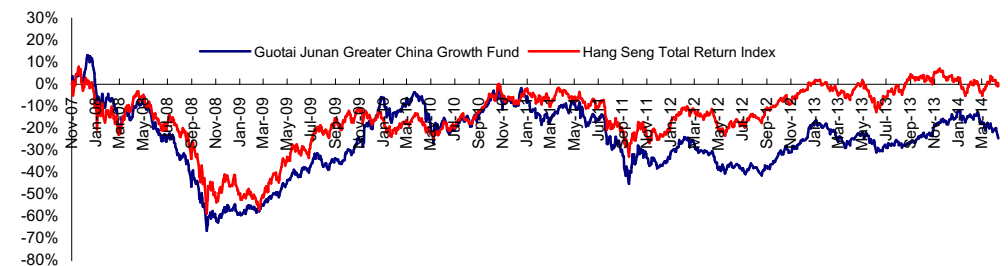
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 30 Apr 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	-6.15	-11.63	-2.03	-11.15	-0.44	-15.51	49.20
Hang Seng Total Return Index (%)	0.02	0.97	-4.05	-4.54	0.92	3.52	67.95

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 75.45
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 30 Apr 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

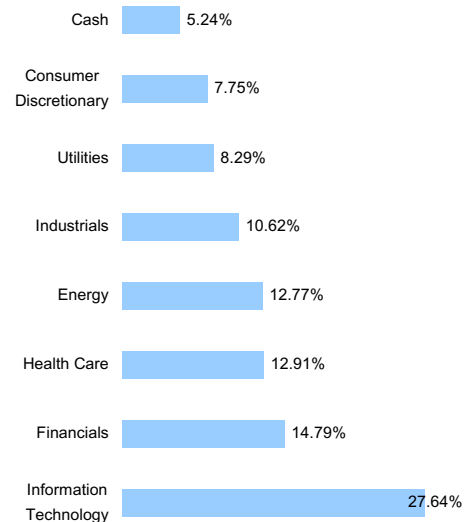
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^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

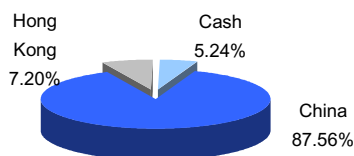
Top Ten Holdings

	%
Tencent	6.82
China All Access	6.42
Guotai Junan International	6.08
Merry Garden Holdings	4.40
SMIC	3.79
Sound Global	3.41
China Everbright International	3.35
Lenovo Group	3.01
China Medical System	2.98
SPT Energy Group	2.76

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

The US reported a solid recovery and the US Fed continued tapering as expected. In contrast, China's growth remained sluggish, dragged mainly by the slowing down investment growth. The central government issued series of mini-stimulus plans in order to bolster the FAI growth, while the real impact was limited. We expect the economy of China will experience further slowing down in 2Q14.

Hong Kong market got temporarily rebounded driven by the approval of "Hong Kong - Shanghai cross market access". But the weak economic fundamentals pulled back the market finally. Despite that most of the blue chips' valuation is at almost at the historical trough, we still see limited willingness of investors' involvement.

We would stay cautious amid the uncertain environment. Specifically, we believe there are chances for the following sectors:

- Internet application. This sector got severe profit taking in the previous month, while we still expect the growth remains strong for the bellwethers, thanks to the wide spread of the cheap smart phone devices in domestic China. We believe the recent correction offers an entry point.
- Environmental protection. We still suggest accumulating this sector. We see the growth outlook of this sector remained valid despite the previous price correction. As more supportive policies are to be issued for further detailed action plans, we are still optimistic on this sector.

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.