

# Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 30 Jun 2014



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 <sup>1</sup>	2008	2009	2010	2011	2012	2013	2014 <sup>2</sup>
The Fund (%)	12.93	-61.96	99.44	12.15	-33.37	18.42	12.02	-5.44
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	1.99

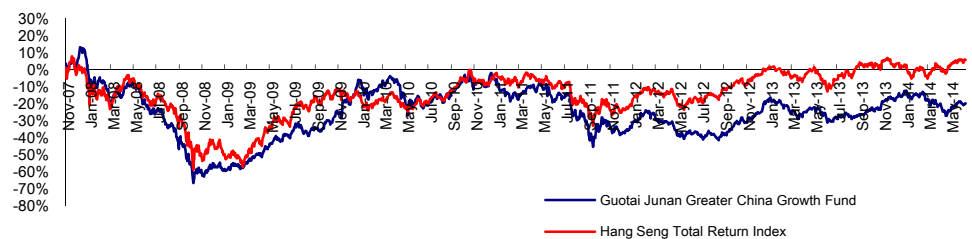
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 30 Jun 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.40	-0.11	-5.44	-5.44	12.96	-5.36	30.82
Hang Seng Total Return Index (%)	1.32	6.86	1.99	1.99	15.39	15.37	49.24

## 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	Daily
Base Currency	Hong Kong Dollar
NAV	HKD 80.3
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

## Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 30 Jun 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

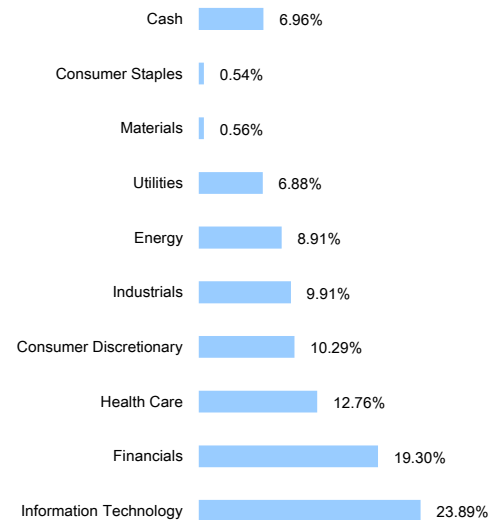
Ms. Kathy Yuen  
Phone: (852) 2509 7746  
Fax: (852) 2509 7784

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

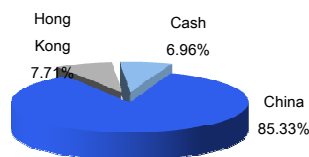
## Top Ten Holdings

	%
Merry Garden Holdings	7.42
Guotai Junan International	6.57
Tencent	4.79
Chanjet Information Technology	4.04
China Suntien Green Energy	3.20
Sound Global	3.18
China All Access	3.03
SMIC	2.90
Rexlot Holdings	2.88
Guodian Technology & Environment	2.57

## Industry Allocation<sup>4</sup>



## Exposure by Major Revenue Source<sup>3</sup>



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

4. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd, based on the Global Industry Classification Standard.

## Market Outlook and Investment

The US stock market continued to reach new highs in June, due to the improving economic fundamentals and market sentiment. China's PMI recorded a recovery trend in recent months and attained this year's high in June. The China Government further gave some relax measures to the financial institutions, for example, the relaxation of the composition of loan-to-deposit ratio.

For Hong Kong market, the money in-flow was strong recently, as evidenced by HKD exchange rate touching the 7.75 peg limit. If the market sentiment remained continually good, there may be an upward revaluation of stocks in near term. Specifically, we believe there are chances for the following sectors:

(1) Pharmaceuticals. China's aging population and universal coverage of medical insurance fueled the long-term growth of the sector. The recent increase of Government funding was also a positive catalyst. We preferred the specialty drug makers which had lesser risk of price cut for their products.

(2) Downstream solar farms. China has set ambitious PV installation target in year 2014. As the solar PV module cost continued trending down, the IRR of China's leading solar farms has improved. All of the downstream solar farms have aggressive plans on capacity expansion. We expect to see rapid growth of their net profits in the next two years.

### 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.