

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jul 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 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 85.17
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

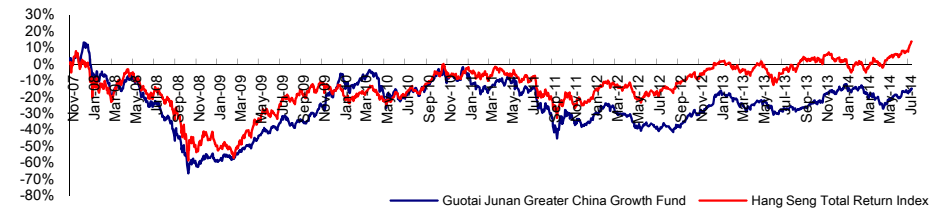
Fund Performance

	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	0.29
Hang Seng Total Return Index	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	9.60

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Jul 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	6.06	12.88	-0.25	0.29	18.05	-0.36	26.08
Hang Seng Total Return Index	7.46	14.81	15.93	9.60	17.86	23.75	43.27

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Jul 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

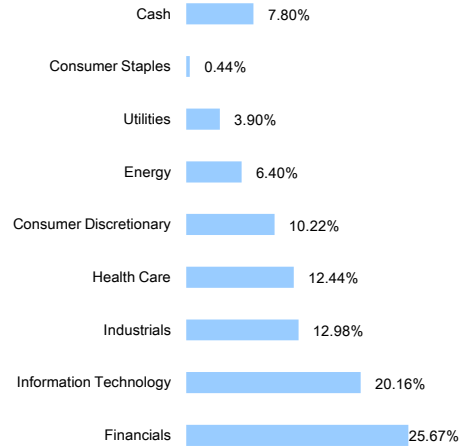
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^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

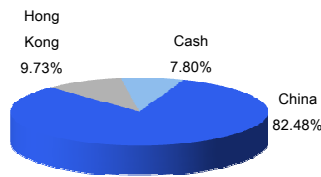
Top Ten Holdings

	%
Guotai Junan International	8.37
Merry Garden Holdings	7.71
Tencent Holdings	5.03
Chanjet Information Technology	4.17
China Aircraft Leasing Group	4.06
China Cinda Asset Management	3.20
Sound Global	3.17
China Suntien Green Energy	2.97
China All Access	2.92
Lijun International	2.62

Industry Allocation⁴



Exposure by Major Revenue Source³



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

US market finally pulled back after being rallied for months. We believe that US economy's growth is solid and stable, and the US Fed will not raise the interest rate before the end of 2015. We see still amiable monetary environment for US market. China reported mixed data for first half of 2014. The most significant improvement was the M2 growth, which reached 14.7% in June. As PBOC applied targeted RRR cut and series of creative policies to ease the money supply, we believe the monetary environment will be more benign in the second half of 2014.

Specifically, we believe there are chances for the following sectors:

- Pharmaceuticals. The sector recently underperformed the market given its defensive nature. We see long-term opportunities on this sector. China's aging population and universal coverage of medical insurance fueled the long-term growth. 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.
- Alternative energy. This sector got correction due to stretched valuation but weak-than-expected growth in first half of 2014. We believe that the central government's supportive policies remain unchanged and the sector's long term growth theme is still intact. The valuation of the top players becomes reasonable again and deserves for a re-visiting.

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.

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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.