

# Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"  
 Monthly Report - 31 Aug 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	2.30
Hang Seng Total Return Index	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	9.81

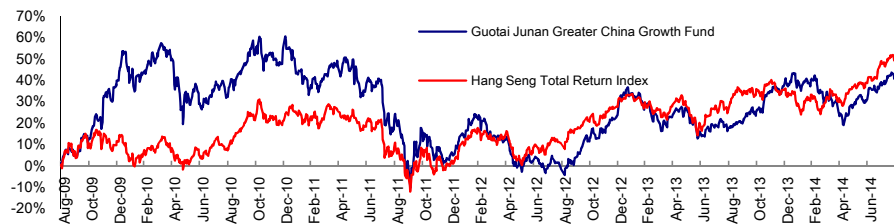
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Aug 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	2.00	10.78	0.82	2.30	20.70	14.60	42.01
Hang Seng Total Return Index	0.19	9.09	12.00	9.81	18.60	35.10	49.44

## 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 86.87
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

## 5 Year Performance



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Aug 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

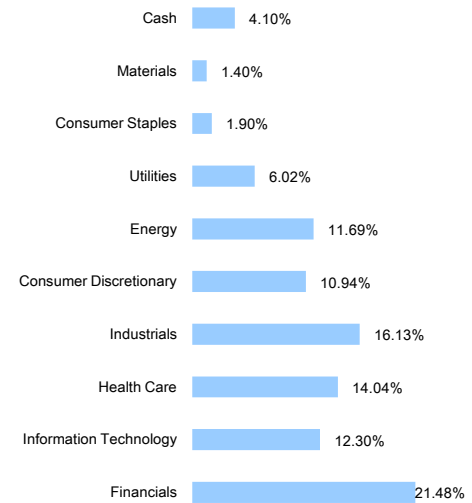
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^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

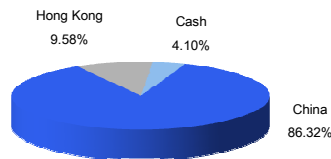
## Top Ten Holdings

	%
Merry Garden Holdings	8.54
Guotai Junan International	8.13
China Aircraft Leasing Group	4.35
Tencent Holdings	3.97
China Suntien Green Energy	3.54
Sound Global	3.43
China Taiping Insurance	3.39
China Cinda Asset Management	3.32
Shanghai Pharmaceuticals	3.04
Lijun International	3.04

## 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 rally of China market paused for this month given that most of the blue chips got the first round of revaluation. Investors paid more attention on the semi-annual results, which large-cap players reported more in-line results. For the rest of this year, it is expected that the State-Owned Enterprise reform, Shanghai-Hong Kong Stock Connect and series of supportive policies to stimulate the economy will further carry on. Specifically, we believe there are chances for the following sectors:

- Water supply and treatment. China's water treatment operators are facing increasing pressure of M&A as small players cannot afford the huge amount of CAPEX requirement in order to meet the ever-upgrading national's standard and requirement. The central government also encourages more private companies to enter into this sector by further opening up this market. We see attractive opportunities for the bellwethers of the sector.
- Alternative energy. Both the wind and solar players got correction recently due to stretched valuation but weaker-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

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