Monthly & Quarterly Report **March 31, 2010**

Guotai Junan Greater China Growth Fund

Portfolio Summary

Upfront Disclosure

The Fund may invest in listed companies that derive a significant portion of their revenues from goods proceed 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 Region 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 are 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.

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 & Taiwan).

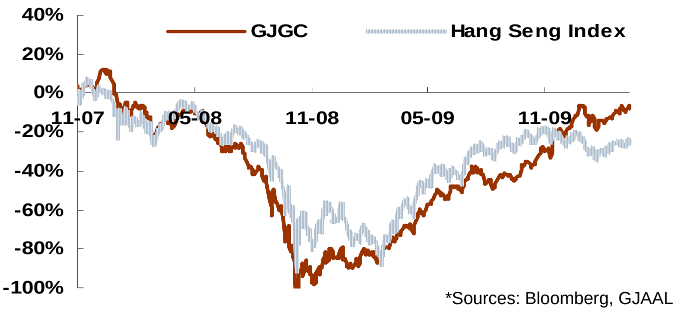
Fund Facts

Management:	Guotai Junan Assets (Asia) Limited
Inception Date:	2007-11-19
Domicile:	Cayman Islands
Base Currency:	HKD
Bloomberg Ticker:	GJGCHGR HK
Redemption Day:	Every Trading Day
Custodian:	HSBC Trustee (Cayman) Limited
Auditor:	Ernst & Young
Minimum amount for HK immigration investment:	HKD 6.5 million
NAV in total (as of Mar 31):	HKD 84.8million
NAV per Unit (as of Mar 31):	HKD 92.61

Fee Structure

Minimum Subscription:	HK$ 50,000
Subscription Fee:	Up to 5%
Management Fee:	1.5% p.a.
Redemption Fee:	Up to 3%

Fund Performance Since Inception

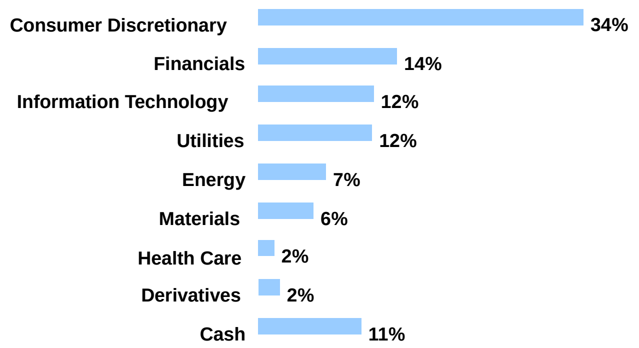


*Sources: Bloomberg, GJAAL

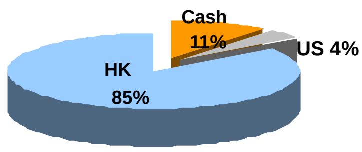
Performance Update

	Total Return	Hang Seng Index
1 Month	5.4%	3.1%
3 Months	8.1%	-2.9%
6 Months	43.5%	1.4%
YTD Return	8.1%	-2.9%
1 Year	96.9%	56.4%
Since Launch		
Annualized Return	-3.4%	-12.1%
Annualized Volatility	34.9%	41.0%

Sector Exposure



Geographic Exposure



Monthly Performance Summary

2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Launch
Performance (%)	-21.0	4.9	-9.0	5.2	1.1	-14.5	-0.7	-10.8	-19.9	-27.7	1.7	6.2	-62.0	-57.0
Hang Seng Index (%)	-15.7	3.7	-6.1	12.7	-4.7	-9.9	2.8	-6.5	-15.3	-22.5	-0.6	3.6	-48.3	-47.6
Information Ratio	-3.1	1.0	-2.2	-11.5	8.0	-5.8	-5.0	-4.8	-3.6	-2.6	1.7	1.8		
2009	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**YTD**	**Since Launch**
Performance (%)	-0.1	-0.1	9.7	7.5	14.9	5.6	10.1	-9.4	5.5	6.8	7.0	16.2	99.4	-14.3
Hang Seng Index (%)	-7.7	-3.5	6.0	14.3	17.1	1.1	11.9	-4.1	6.2	3.8	0.3	0.2	52.0	-20.3
Information Ratio	6.3	3.3	2.2	-4.2	-1.7	3.0	-1.8	-7.2	-0.8	2.8	6.6	9.2		
2010	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**YTD**	**Since Launch**
Performance (%)	0.3	2.3	5.4										8.1	-7.4
Hang Seng Index (%)	-8.0	2.4	3.1										-2.9	-22.7
Information Ratio	4.5	-0.2	3.3											

Top Ten Security Holdings

#	Name	Industry	%
1	Ping An Insurance	Financials	7.9%
2	Kunlun Energy	Energy	7.1%
3	Lenovo Group	Information Technology	6.3%
4	China Gas Holding	Utilities	6.2%
5	China Oil and Gas	Utilities	5.7%
6	Brilliance China Automotive	Consumer Discretionary	5.2%
7	Peak Sport	Consumer Discretionary	5.0%
8	Haier Electronics	Consumer Discretionary	4.8%
9	Intime Departmental Store	Consumer Discretionary	4.1%
10	Hisense Kelon Electrical	Consumer Discretionary	4.0%

*Industry Classification is based on Global Industry Classification Standard (GICS).

Investment Team

Chief Investment Officer: Mr. Yuan Junping

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Economic Review

US economy saw solid recovery in the first quarter of 2010. The Institute of Supply Management's (ISM) Manufacturing Index and Non – Manufacturing Index climbed up for eight consecutive months, and the growth ratios both reached the five-year high in March. Personal income and spending realized steady gain on monthly base. All the data indicated "pretty clear" that the recession is over. The mild CPI growth at 0% in February signaled no pertinent need for US Fed to retreat from the market "any soon". Given the slower improvement of employment compared to the economy, US Fed decided to remain the interest rate unchanged for "a fair long time".

China economy faced the threat of possible overheat propelled by the excess liquidity. The RMB new loan is estimated to reach 2.89 trillion in the first quarter, which took up the 38.5% of the full year new loan quota set by the central government in the beginning of this year. Both the CPI and PPI saw accelerating growth in February and the momentum may continue in the following months. The PBOC has raised the RRR twice and has issued huge amount of notes to mop up the liquidity. Real estate sector was under great pressure as the central government has issued series of control policies to curb the soaring housing prices in China major cities. Export is recovering and retail sales reached new high as a result of the support from the central government.

Market Review

Given the improving macro environment and excess liquidity, US investors picked up more risky assets as fund continued to flow into the stock market. Company earnings forecast are revised upward for the first quarter to reflect the positive economic recovery. The three major indices all reached 52-weeks new high. The Nasdaq index firstly broke the 200-week simple moving average level. For the month, the Dow increased +5.15% to 10,857, the S&P 500 gained +5.88% to 1,169 and the Nasdaq hiked +7.14% to 2,398. The top 3 outperforming sectors in the first quarter were financials, materials and consumer discretionary. The Dow, S&P500 and Nasdaq increased by 4.11%, 4.87% and 5.68% respectively in the 1St quarter.

Chinese equities rebounded strongly this month, primarily due to resurgence of risk appetite and strong corporate earnings. On earnings, as of Mar 31 - over 76% of Hong Kong listed market cap (181 companies with over US$1bn) and almost 60% of A-share market cap (359 companies with over US$1bn) have reported full-year FY09 earnings. A and H share markets have posted 24% and 21% YOY EPS growth, respectively. For the month, the Hang Seng Index (HSI) gained 3.06% to 21,239, and the Hang Seng China Enterprises Index (HSCEI) hiked +7.4% to 12,398. The top 3 outperforming sectors in the first quarter were health care, industrials and consumer discretionary. However, the HSI and HSCEI corrected by -2.9% and -3.1% respectively in the 1st quarter.

Brief Trading Summary

The Fund's NAV gained 5.4% in March compared to the HSI's return of +3.1%. We also outperformed the HSI in the 1st quarter of 2010 as the Fund gained 8.1% vs. HSI's -2.9%. Our top gainers in this month are all consumer names such as Haier Electronics (01169 HK, +27%), Peak Sport (01968HK, +26%) and Xtep International (01368 HK, +20%). The latter two are also our top performers in the 1st quarter - each gained 32% and 28% respectively.

Besides the above top gainers mentioned, several stocks in our portfolio also achieved more than 10% growth in this month, i.e., Hisense Kelon Electrical (00921 HK, +15%), Intime Departmental Store (01833 HK, +14%), PICC (02328 HK, +13%), Ping An Insurance (02318 HK, +13%), Kunlun Energy (00135 HK, +11%) and 361 Degrees (01361 HK, +10%).

Brief Trading Summary (continued)

As we have stated in our previous reports that we have shifted our position heavily to overweight the consumer discretionary sector in this year given their strong earnings growth visibility. The sector's significant growth in this month proved our investment theme. We are also optimistic on the auto sales in China this year, and we added Brilliance China Automotive (01114 HK) for the fund. We noticed that Hong Kong stock market gained the momentum in this month. In order to catch up the trend, we loaded Ping An Insurance (02318 HK) as the insurers are the best proxy for the broad market. We believe the call warrant will get best leverage from the upward stock market. To magnify the extra return from the insurance players, we added call warrant of China Life (20211 HK) instead of the stock itself, given the good liquidity of this warrant. Meanwhile, we unloaded some cyclical stocks, such as Fushan Energy (00639 HK) and China Cosco (01919 HK). We kept the cash ratio at 11% of the fund NAV in March, preparing to catch better opportunities in the coming months.

Investment Strategy

Contrary to the common concern from the investors that tightening measures would be released out after the NPC and CPPC meeting, however, no such measures like rate hike or special loan control were announced after the meetings, except that policy on property sector remained stringent to curb surging house prices. The government was very reluctant to take material tightening measures before economy recovery was assured. We believe fast-pace economic growth will sustain amid positive fiscal policy and relatively loose monetary policy. Meanwhile, we see increasing inflation pressures inside China and overseas for the remaining year 2010. Iron ore producers were asking for 100% price increase for year 2010 and the severe drought in southern-west China is likely to impose more pressures on food prices. We expect investment opportunities are likely to exist in following areas for the next month:

1) Home appliances. Home appliance producers will continue to benefit from the 'Go countryside' plan and earnings are likely to grow rapidly for year 2010.

2) Banks. Large amount of new CNY loan quota set for year 2010 will improve banks' earnings. The concern for the non-performing loans from the local government financial vehicles (LGFV) was overdone. We found the valuation for the domestic banks is now attractive.

3) Auto. Auto sales remained strong in the beginning of year 2010 despite traditionally weak season. We believe the demand for autos in 3rd and 4th tier cities will jump and auto manufacturers will see their sales volume expanded. We expect earnings of auto manufacturers to rise continuously in year 2010.

4) Utilities. The 3% CPI target set by central government for year 2010 has reserved space for resource price reform and we believe there will be investment opportunities in city gas and water supply industry.

Brief of Top 5 holdings (as of March 31, 2010)

Company	Ticker	Market Cap (MN HKD)	10 PE (E)*	Industry	Comments
Ping An Insurance	02318 HK	451,887	29.8	Financials	One of the biggest insurance groups in China, which provides a variety of insurance service. It also offers financial services, such as banking and asset management. We saw the great growth of insurance premiums in the first two months of 2010. Also we believe Insurance players are the best proxy of broad stock market. We picked Ping An to catch the upward trend of the market.
Kunlun Energy	00135 HK	55,980	20.8	Energy	Formerly was the international subsidiary of CNPC. Its major assets are CNPC's oversea explorations and production projects. The company recently changed its name to Kunlun Energy, as it has shifted the business focus to the city gas distribution and natural gas transportation. We expected large related asset injections from its parent company (CNPC) in this year.
Lenovo Group	00992 HK	55,495	21.4	Information Technology	Lenovo is the biggest domestic IT hardware manufactory which sells and manufactures Lenovo brand personal computers and handheld devices. We believe IT hardware demand will soar in this year thanks to the economy recovery worldwide. We expect Lenovo will benefit from this trend and report solid earnings growth.
China Gas Holding	00384 HK	15,259	20.5	Utilities	China Gas owns the largest number of city gas projects in mainland China, and it is the biggest LPG supplier domestically. We expect the natural gas price reform will take off soon in this year. China Gas will get benefit mostly given its large number of projects in hand.
China Oil and Gas	00603 HK	6,495	43.6	Utilities	A smaller player of city gas distribution and it will be benefited by the same story of China Gas.

* Year 2010 Estimated PE is based on market consensus forecast as derived from Bloomberg

Notes: Investment involves risks. Past performance is not indicative of future performance. Please refer to the explanatory memorandum for further details.