

Important Notes:

- 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 base on this material alone to make investment decision. 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

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 10 million
NAV in total (as of MAY 31):	HKD 85.34 million
NAV per Unit (as of MAY 31):	HKD 91.58

Fee Structure

Minimum Subscription:	HK\$ 10,000
Subscription Fee:	Up to 5%
Management Fee:	1.5% p.a.
Redemption Fee:	
Less than 6 Months	1%
6 months or more but less than 12 Months	0.75%
12 months or more but less than 18 Months	0.50%
18 months or more but less than 24 Months	0.25%
24 Months or more	Waived

Investment Team

Chief Investment Officer: Mr. Yuan Junping

Contact information:

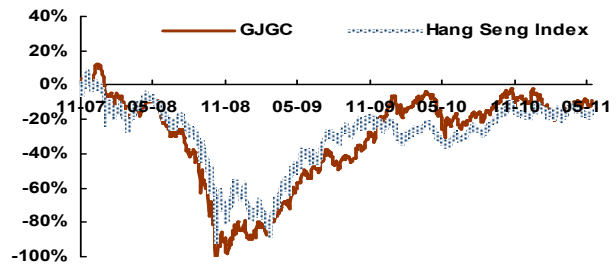
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Fund Information Resources

Bloomberg Ticker: GJGCHGR HK EQUITY
Web URL: http://www.gtja.com.hk/english/gtja_invest/zcqlj/gcgf.aspx

Fund Performance Since Inception

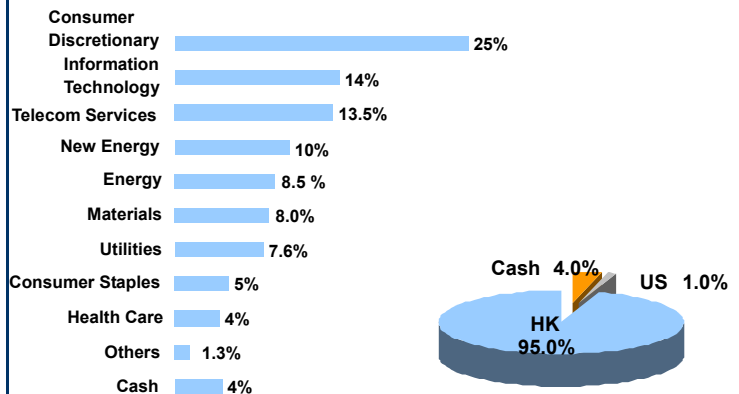
(measured by the percentage change in NAV-to-NAV basis)



Performance Update (measured by the percentage change in NAV-to-NAV basis)

	Total Return	Hang Seng Index
1 Month	2.6%	-0.2%
3 Months	9.8%	1.5%
6 Months	-1.9%	2.9%
YTD Return	-4.7%	2.8%
1 Year	11.0%	19.8%
Since Launch		
Annualized Return	-2.6%	-4.5%
Annualized Volatility	31.4%	34.8%

Sector & Geographic Exposure



Calendar year performance (%)

(measured by the percentage change in NAV-to-NAV basis)

	2007 ¹	2008	2009	2010	2011 ²
The Fund	12.9%	-62.0%	99.4%	12.1%	-4.7%
Hang Seng Index	1.3%	-48.3%	52.0%	5.3%	2.8%

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of May 31, 2011.

Top Ten Security Holdings

#	Name	Industry	%
1	China All Access	Information Technology	8.8%
2	Sinopoly Battery Limited	New Energy	8.8%
3	China Unicom	Telecom Services	8.1%
4	Yanzhou Coal	Energy	7.6%
5	Haier Electronics	Consumer Discretionary	6.4%
6	Chigo Holdings Ltd	Consumer Discretionary	5.9%
7	China Telecom	Telecom Services	5.4%
8	Intime Departmental Store	Consumer Discretionary	5.1%
9	China Gas Holding	Utilities	4.4%
10	China Timber	Materials	4.1%

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

Notes: All of the charts and tables in this page are prepared based on the data from Bloomberg and Guotai Junan Assets (Asia) Limited ("GJAL").

Monthly Performance Summary (measured by the percentage change in NAV-to-NAV basis)

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	-0.7	-10.3	-3.9	4.1	-1.9	9.3	5.1	0.4	2.9	12.1	-3.9
Hang Seng Index (%)	-8.0	2.4	3.1	-0.6	-6.4	1.8	4.5	-2.3	8.9	3.3	-0.4	0.1	5.3	-16.1
Information Ratio*	4.5	-0.2	3.3	-0.1	-2.1	-5.3	-0.6	0.5	0.6	2.5	0.7	2.9		
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Launch
Performance (%)	-9.0	-4.5	4.9	2.0	2.6								-4.7	-8.4
Hang Seng Index (%)	1.8	-0.5	0.8	0.8	-0.2								2.8	-13.8
Information Ratio*	-9.7	-5.4	5.8	1.1	3.0									

Sources: Bloomberg, GJAAL

Notes: Information ratio is defined as expected active return divided by tracking error, where active return is the difference between the return of the fund and the return of Hang Seng Index, and tracking error is the standard deviation of the active return.

Market Review

US economy seemed suddenly lost steam in May. Both housing market and employment tumbled. Purchase of existing homes decreased 0.8% MoM, and pending home sales dropped 11.6% MoM. Unemployment rate went back to 9.0% again. Durable goods orders dropped 3.6% MoM. U.S. consumer confidence index dropped to 60.8 in May, the lowest level in six months as Americans grew concerned over the outlook for jobs and the economy. US Fed reiterated that QE2 will end by the end of June as planned, and there will be no QE3 ahead. For May, Dow Jones dropped 1.88% to 12,569. The S&P 500 dropped 1.35% to 1,345 and the NASDAQ decreased 1.33% to 2,835.

China's macro figures for April were generally inline, i.e., the economy expansion is gradually slowing down. April's Industrial Production increased 13.4% YoY, vs. 14.8% in March. The retail sales growth also slowed to 17.1% vs. 17.4% in previous month. Export and import growth were 29.9% YoY and 21.8% YoY respectively. The M2 growth shrank to 15.3%, even though the new Yuan loans amounted to Rmb739.6 billion, vs. Rmb679.4 billion in last month. Inflation remained high, as CPI and PPI came as 5.3% YoY and 6.8% YoY respectively. PBOC hiked RRR once again in April. The NDRC will raise the retail tariff finally to mitigate the risk of national-wide power shortage. Sharp correction was observed in domestic A share market in this month, indicating that investors have gradually lost confidence amid the concerns of national-wide drought, power shortage, high inflation and further slow down of domestic economy. For May, the Hang Seng Index decreased 0.2% to 23,684, and HSCEI gained 0.5% to 13,268.

Brief Trading Summary

The Fund's NAV gained 2.6% in May, outperformed the HSI by 2.8%. The consumer related stocks in our portfolio continued to outperform in May. Our top gainers in this month are Biostime International (01112 HK, +20%), China Precious Metal (01194 HK, +16%) and Sinopoly Battery (00729 HK, +16%).

In May, we loaded several consumer players for the portfolio such as Baofeng Modern (01121 HK), Boshiwa (01698 HK), Shirble Store (00312 HK) and Magic Holdings (01633 HK). We believe that amid the market uncertainty the consumer players might be more resilient. The flip-flop of US economy tested investors' risk appetite. Even though small and medium sized equities generally underperformed, we were glad to see that the fund reported positive return. We remain cautious on the equity market in the near term.

Investment Strategy

Sentiment in market was generally pessimistic in the whole month of May, as domestic A share market trended down for consecutive four weeks in a row. The latest PMI of May came in at 52, which remained at the ten-month low level. Investors were tested by series of bad news flows such as the high inflation, tight monetary policy, national-wide power shortage as well as drought, and finally gave in. We remain rather cautious for the coming month, as we believe that the central government will not shift its tight policies on money supply and property in short term. Also the situation in overseas markets is not amiable at all. We suggest staying defensive in the near future.

Investment opportunities are likely to exist in following areas for the next month.

1) National-wide power shortage is expected by the China Electric Council for this year, and NDRC finally hiked the retail tariffs by Rmb0.02 / Kwh in May to relieve the pain of IPP's continuing loss. The consumption of gas will also increase in the summer season, as gas may be used as the substitute of fuel to generate electricity when coal is not available. The sector is now more attractive amid the much uncertainty in the market.

2) Telecoms. Telecoms enjoy stable fees and fast expanding numbers of 3G subscribers. It is expected that revenue from mobile internet will grow dramatically.

3) Retailing. Domestic retail sales growth remained at 17.1% YoY in April, which was much resilient compared to other cyclical sectors. Retailing should be a better player during in continually inflation environment.

Notes:

- This document is provided strictly for informational purposes only and is not to be used or considered as an offer, an invitation to offer or solicitation to buy, sell or subscribe for any investment products.
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