

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
Benchmark:	Nil
Bloomberg Ticker:	GJGCHGR HK
Redemption Day:	Every Trading Day
Custodian:	HSBC Trustee (Cayman) Limited
Auditor:	Ernst & Young Limited
Minimum amount for HK immigration investment:	HKD 10 million
NAV in total (as of AUG 31):	HKD 72.76 million
NAV per Unit (as of AUG 31):	HKD 75.8

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:

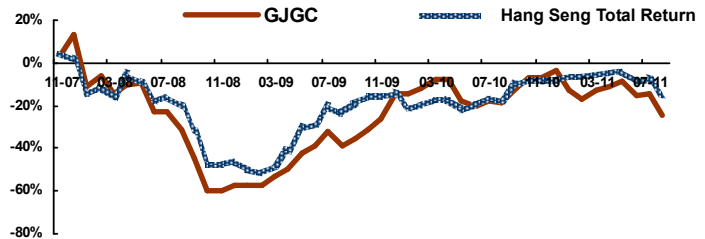
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Fund Information Resources

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

Fund Performance Since Inception

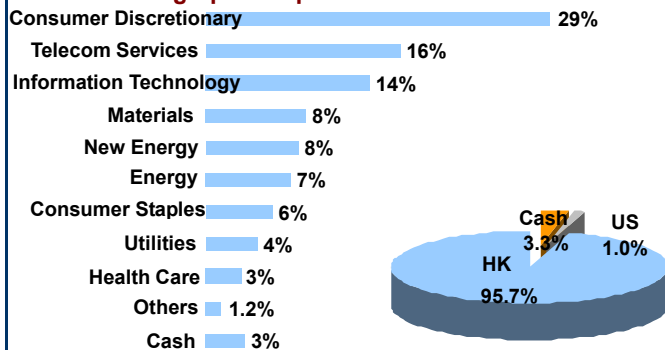
(measured by the percentage change in NAV-to-NAV basis)



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

	Total Return	Hang Seng Total Return Index
1 Month	-11.3%	-8.2%
3 Months	-17.2%	-12.4%
6 Months	-9.2%	-10.0%
YTD Return	-21.1%	-8.8%
1 Year	-6.3%	3.1%
Since Launch		
Annualized Return	-8.4%	-4.9%
Annualized Volatility	31.2%	34.2%

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	12.90%	-62.00%	99.40%	12.10%	-21.12%
Hang Seng Total Return Index	1.50%	-46.40%	56.50%	8.60%	-8.81%

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

Top Ten Security Holdings

#	Name	Industry	%
1	China All Access	Information Technology	9.5%
2	China Unicom	Telecom Services	9.2%
3	Hengdeli	Consumer Discretionary	9.1%
4	China Telecom	Telecom Services	7.1%
5	Haier Electronics	Consumer Discretionary	7.1%
6	Sinopoly Battery Limited	New Energy	7.0%
7	Yanzhou Coal	Energy	6.3%
8	Intime Departmental Store	Consumer Discretionary	5.4%
9	China Timber	Materials	4.5%
10	China Gas Holding	Utilities	4.3%

*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").
- From 29 July 2011, Hang Seng Total Return Index is used as an index which most closely reflects the investment focus of the Fund for the comparison purpose. Hang Seng Total Return Index includes dividend reinvestment.

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	16.2	99.4	-14.3
Hang Seng Total Return Index (%)	-7.7	-3.5	6.4	14.5	18.4	1.6	11.9	-3.9	6.7	3.8	0.5	0.3	56.6	-14.7
Information Ratio*	6.3	3.3	2	-4.4	-2.6	2.7	-1.8	-7.5	-1.3	2.8	6.4	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	-0.2	-10.7	-3.9	4.1	-1.9	9.3	5.1	0.4	2.9	12.1	-3.9
Hang Seng Total Return Index (%)	-8	2.4	3.3	-0.4	-5.2	2.2	4.5	-2.1	9.4	3.3	-0.2	0.1	8.6	-7.4
Information Ratio*	4.8	-0.2	3	0.2	-2.9	-5.7	-0.6	0.3	-0.2	2.5	0.6	2.9		
2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Launch
Performance (%)	-9	-4.5	4.9	2	2.6	-7.3	0.7	-11.3					-21.1	-24.2
Hang Seng Total Return Index (%)	1.8	-0.5	1.1	1	0.7	-4.8	0.2	-8.2					-8.8	-15.6
Information Ratio*	-9.7	-5.4	5.5	0.9	2.1	-3.1	0.6	-2.2						

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 Total Return Index, and tracking error is the standard deviation of the active return.

Market Review

There was not much good news in this August in neither Europe nor the US market. The rapid deteriorating debt situation in the Euro zone and the downgrade of the US government bond's rating by S&P finally triggered the universally selling off across the global equity markets. Only gold shines as its price touched 1,900 USD for a while. The economic growth outlook in both Europe and the US is still rather gloomy. We expect the market will remain volatile for a while. In August, Dow Jones dropped by 4.4% to 11,614. The S&P 500 dropped by 5.7% to 1,219 and the NASDAQ, decreased by 6.4% to 2,579.

The economic situation in domestic China is rather stable. Both the export (+20.4%) and import (+22.9%) recorded beat-the-estimation growth in July. The total amount of new Yuan loan decreased to 492bn, and the M2 growth was down to 14.7%. As what has been widely expected, the CPI and PPI both climbed to two-year peak at 6.5% and 7.5% respectively. The intensive pressure to control the persistently high inflation forced the central government to stick to the tightening policy as the risk of impeding future's economy growth. In August, the Hang Seng Index decreased sharply by 8.5% to 20,535, and HSCEI was slashed by 11.6% to 10,943.

Brief Trading Summary

The Fund's NAV lost 11.3% in August, underperformed Hang Seng Total Return Index by 3.1% in the same period. Both the blue chips and small / medium sized stocks got severe correction. Amid the universally selling off, the most resilient players in our portfolio were 361 Degrees (01361 HK, +11%), Dah Chang Hong (01828 HK, +7%) and China Unicom (00762 HK, +6%).

In our portfolio, consumer discretionary remained the largest sector with weighing of 29% of the NAV in August. We tried to catch some stocks with attractive valuation during the massive selling off, such as Global Bio-Chem (00809 HK) and Sino Yizheng Chemical Fiber (01033 HK). We also increased the holdings of Hengdeli (03389 HK).

Investment Strategy

Hong Kong equity market just experienced the worst August in the past decade. Looking forward, we still see limited upside for the US / European economy. In China, even though the latest PMI for August rebounded back to 50.9, which was up 0.2% from the previous month, we still expect deteriorating export in the rest of this year. Domestic SMEs face even more difficult economic environment. Meanwhile, the central government signaled that in short term, there will be no policy easing given that the inflation pressure is still high. Therefore, we see limited positive catalyst for the stock market in the near term. We suggest remaining defensive.

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

- 1) Consumer discretionary. It is widely expected that the CPI of August will climb down, and the recent individual tax cut will increase the citizens' disposable income. We expect consumer discretionary sector, such as the medium to high level appeals and retailers will benefit most.
- 2) Natural gas distributors. This sector generally reported satisfactory semi-annual results of 2011 with an average net profit growth around 20%. We expect stable growth in the 2H as the peak season for natural gas consumption will come. Its defensive feature will be valuable in market turmoil.
- 3) Health Care. Even though this sector experienced price cut for the finished products required by the NDRC, their 1H financial reports generally recorded positive growth. We expect the policy shock will gradually dilute, and the valuation of the sector will turn out attractive after the previous correction.

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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