Monthly Report — **September 30, 2011**

Guotai Junan Greater China Growth Fund

Portfolio Summary

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

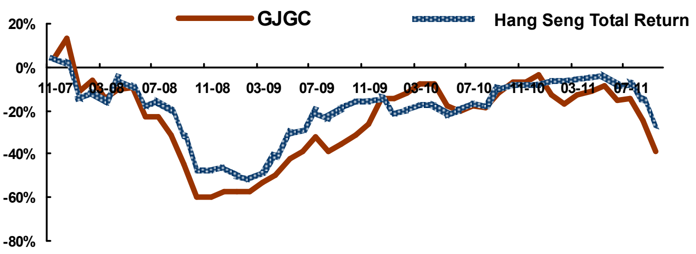
Management:	Guotai Junan Assets (Asia) Limited
Inception Date:	2007-11-19
Domicile:	Cayman Islands
Base Currency:	HKD
Benchmark:	Nil
Bloomberg Ticker:	GJGCHGR HK
Redemption Day:	Every Trading Day
Custodian:	HSBC Trustee (Cayman) Limited
Auditor:	Ernst & Young Limited
Minimum amount for HK immigration investment:	HKD 10 million
NAV in total (as of SEP 30):	HKD 56.71 million
NAV per Unit (as of SEP 30):	HKD 61.07

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

Fund Performance Since Inception

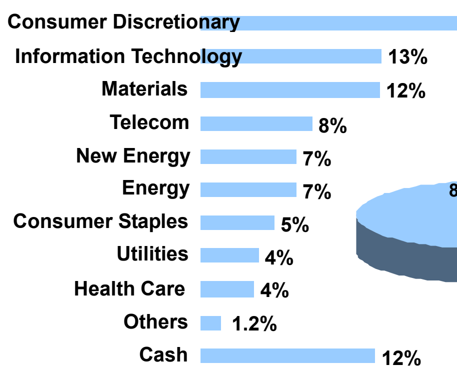
(measured by the percentage change in NAV-to-NAV basis)

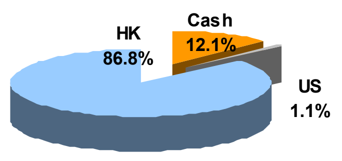


Performance Update (measured by the percentage change in NAV-to-NAV basis)

	Total Return	Hang Seng Total Return Index
1 Month	-19.4%	-13.8%
3 Months	-28.0%	-20.8%
6 Months	-30.2%	-23.3%
YTD Return	-36.4%	-21.4%
1 Year	-31.0%	-18.8%
3 Years	11.1%	7.6%
Since Launch		
Annualized Return	-12.2%	-8.1%
Annualized Volatility	31.6%	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%	-36.45%
Hang Seng Total Return Index	1.50%	-46.40%	56.50%	8.60%	-21.42%

1. Calculated since the launch of the Fund as at 19 November 2007.
2. Measured as of Sep.30, 2011.

Investment Team

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Fund Information Resources

Bloomberg Ticker: GJGCHGR HK EQUITY

Web URL: http://www.gtja.com.hk/english/gtja_Invest/zcglj/gcgf.aspx

Top Ten Security Holdings

#	Name	Industry	%
1	China All Access	Information Technology	8.9%
2	Hengdeli	Consumer Discretionary	8.0%
3	China Unicom	Telecom Services	7.7%
4	Sinopoly Battery Limited	New Energy	5.9%
5	Yanzhou Coal	Energy	5.8%
6	Haier Electronics	Consumer Discretionary	5.2%
7	China Timber	Materials	5.0%
8	Intime Departmental Store	Consumer Discretionary	4.6%
9	Chigo Holdngs Ltd	Consumer Discretionary	4.4%
10	Lumena Resources Corp	Materials	4.2%

*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 ("GJAAL").*
- *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	-19.4				-36.4	-38.9
Hang Seng Total Return Index (%)	1.8	-0.5	1.1	1	0.7	-4.8	0.2	-8.2	-13.8				-21.4	-27.3
Information Ratio*	-9.7	-5.4	5.5	0.9	2.1	-3.1	0.6	-2.2	-4.05					

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

The Euro-Zone got no real progress to solve the sovereign debt crisis yet. Among the Euro-Zone members no agreement had been reached to issue any effective rescue plan, and Greece's default seemed to be inevitable. There was no cheerful news in the US either, as the housing market continued tumbling along with high unemployment rate. Panic selling on any risky assets caused severe correction on most prices of commodities and equities. Only the USD got appreciation as investors tried to seek the safe haven amid the universal selling-off. In September, Dow Jones dropped by 6% to 10,913. The S&P 500 dropped by 7.2% to 1,131 and the NASDAQ, decreased by 6.4% to 2,415.

China's latest economic data showed that the growth was much resilient than expected, but there were negative signals alarming for possible significant slowing down. It seemed that export (+24.5%) and import (+30.2%) remained rather robust in August, and the retail sales growth was still very strong at 17%. The latest PMI (Purchasing Managers Index) of China reported at 51.2, which was even better than August's figure. But CPI and PPI were still hard to tame, which were recorded at 6.2% and 7.3% respectively. FAI growth and Industrial Production growth were also declining. Investors got nervous about the quality of huge-sized private lending in domestic SMEs. Stocks in both domestic and overseas markets got severe selling off. In September, the Hang Seng Index decreased sharply by 14.3% to 17,592, and HSCEI was slashed by 18.5% to 8,917.

Brief Trading Summary

The Fund's NAV lost 19.4% in September, underperformed Hang Seng Total Return Index by 5.6% in the same period. The broad market was rather weak in September amid the globally de-risk and de-leveraging selling off in the equity market. In this month, the most resilient players in our portfolio were Lenovo Group (00992 HK, +1.3%), China Unicom (00762 HK, -1.6%) and International Mining Machinery (01683 HK, -1.6%).

The holdings of the portfolio got more diversified in September, and the cash level reached 12% of NAV. We tried to catch stocks with attractive valuation and strong fundamentals during the massive selling off, such as Lumena New Materials (00067 HK), Tong Ren Tang Technology (01666 HK) and AviChina Industry (02357 HK).

Investment Strategy

After the dark August, the coming September was just even ugly in the equity market. No agreement had reached in the Euro-Zone to solve the sovereign debt deadlock, and the economic growth was slowing down everywhere in the world. Funds flew away from any possible risky assets, and the prices of commodities and EM equities got slashed. The market talked again the possible easing in China given the very difficult situation to keep the balance between growth and controlling inflation. We think the equity market will not recover before there is a clear conclusion on the Euro-Zone debt issues. Any possible policy easing will be just a short-term positive catalyst.

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

1) Telecoms. The sector remains the most defensive player amid the universal equity correction in recent months. In China, the number of domestic 3G subscribers will reach 100 million soon. All of the three big telecoms have reported healthy growth of 3G end-users. We are positive on this sector given its stable sales growth.

2) Natural gas distributors. The domestic gas consumption in the first eight months grew by 21.7% YoY. As the supply of natural gas increased gradually, we expected stable growth in the 2H as the peak season for natural gas consumption would come. Its defensive feature will be valuable in market turmoil.

3) Health Care. The sector's evaluation tumbled below the 2008 trough with 2011E P/B only at 2.98x. There are some early sign of possible policy changes as Guangdong Province has announced retail price increasing for certain medicines. We are positive on this sector given its attractive valuation and stable sales growth.

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