Monthly Report November 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 NOV 30):	HKD 61.3 million
NAV per Unit (as of NOV 30):	HKD 63.83

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

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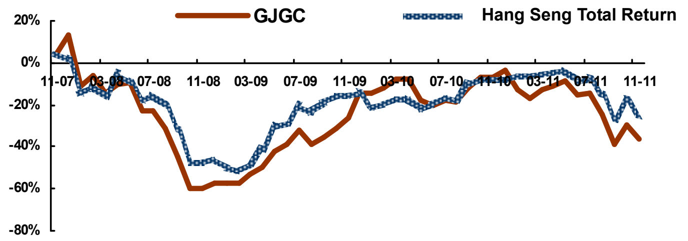
Fund Information Resources

Bloomberg Ticker: GJGCHGR HK EQUITY

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

Fund Performance Since Inception

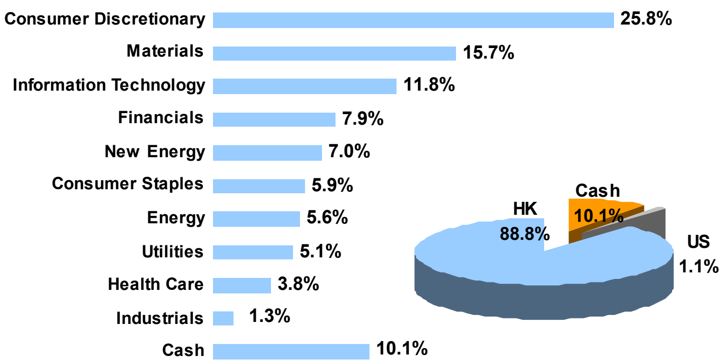
(measured by the percentage change in NAV-to-NAV basis)



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

	Total Return	Hang Seng Total Return Index
1 Month	-9.8%	-9.2%
3 Months	-15.8%	-11.7%
6 Months	-30.3%	-22.7%
YTD Return	-33.6%	-19.4%
1 Year	-31.7%	-19.3%
3 Years	57.8%	42.0%
Since Launch		
Annualized Return	-10.7%	-7.2%
Annualized Volatility	32.3%	34.4%

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%	-33.6%
Hang Seng Total Return Index	1.5%	-46.4%	56.5%	8.6%	-19.4%

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

Top Ten Security Holdings

#	Name	Industry	%
1	Hengdeli	Consumer Discretionary	8.1%
2	China All Access	Information Technology	7.9%
3	Haier Electronics	Consumer Discretionary	6.5%
4	Sinopoly Battery Limited	New Energy	6.3%
5	Sinopec	Energy	5.1%
6	China Gas Holding	Utilities	5.0%
7	Petrochina	Energy	4.6%
8	Intime Departmental Store	Consumer Discretionary	4.5%
9	China Timber	Materials	4.4%
10	China Life Insurance	Financials	4.4%

*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
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*											0.02	-0.11		
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	15.9	-9.8		-33.6	-36.2
Hang Seng Total Return Index (%)	1.8	-0.5	1.1	1	0.7	-4.8	0.2	-8.2	-13.8	12.9	-9.2		-19.4	-25.4
Information Ratio*	-0.21	-0.30	-0.18	-0.02	-0.09	-0.03	0.04	0.07	0.06	0.27	0.22			

Sources: Bloomberg, GJAAL

*Notes: * Information ratio (IR) 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. We started to calculate IR based on 3-year data since Nov.2010.*

Market Review

The US reported mixed macro figures for October. The 3Q GDP growth was revised down to 2.0% from the previous 2.5%, but the retail sales seemed encouraging given the retailing peak season started since the “Black Friday” sales. November’s consumer confidence index came at 56, far better than expected. ISM manufacturing index also improved to 52.7 from the previous 50.8. The Euro zone debt issue remained unresolved, with more sovereign entities got downgraded. Investors continued the de-risk trading mode, which pushed the prices for USD dominated assets to new high. In November, the Dow Jones increased slightly by 0.8% to 12,046. The S&P 500 decreased mildly by 0.5% to 1,247 and the NASDAQ decreased by 2.4% to 2,620.

China’s latest economic figures came worse-than-expected. Both the CPI and PPI growth slowed down to 5.5% and 5.0% respectively, which had been well-expected by the market. The M2 growth was 12.9%, which hinted that the money supply was still relatively tight. Export growth further slowed down to 15.9%; and the latest PMI came at 49, which was the first time below 50 in the past 33 months. The central government certainly noticed the slowing-down signals, as the PBOC announced to cut the RRR by 50bps unexpectedly by the end of November. But there was no hint from the government to ease the tightening control on property sector yet. In November, the Hang Seng Index decreased by 9.4% to 17,989, and HSCEI slumped by 9.6% to 9,509.

Brief Trading Summary

The Fund’s NAV lost by 9.8% in November, underperformed Hang Seng Total Return Index by 0.6% in the same period. Hong Kong market continued falling amid the sluggish economy growth in both China and developed markets. In this month, the best players in our portfolio were China Gas (00384 HK, +19.0%), China Wireless (02369 HK, +12.7%) and Vinda International (03331 HK, 11.0%).

In November, we continued to rebalance the holdings of portfolio to gain more exposure on Energy and Financials sectors. We added in Sinopec (00386 HK), PetroChina (00857 HK), China Life (02628 HK) and China Taiping (00966 HK) respectively. We also trimmed down positions on Yanzhou Coal (01171 HK), Lumena (00067 HK) and China National Building Material (03323 HK).

Investment Strategy

We have already observed the back-and-forth between fast deteriorating economic fundamentals and gradually loosening / more favorable policies in November. A bunch of international banks got downgraded by S&P due to the Euro debt crisis issue, accompanying with two countries, Hungary and Portugal. China reported a slower-than-expected Industrial Production growth at 13.2% and M2 growth at 12.9% for October. PBOC’s unexpected cut of the RRR stimulated more speculation that the central government might turn to loosening again. We believe those arguments are not groundless. Given the severe macro environment both in domestic market and overseas, it is possible to see more RRR cuts and aggressive fiscal expanding policies by the end of this year. Therefore, the market could rally in short period, but the sustainability of the rebounding is questionable. We suggest picking up those leading players with solid fundamentals if investors would like to gain more exposure on cyclical players.

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

1) Consumption discretionary. The peak season for retailing is coming and we expect the sales of apparels, jewels and home appliances may recover by the end of the year. The sector also got price correction recently and may get a better evaluation during the market rebound.

2) Selected industrial manufacturers. We expect the government will consistently support the high-end manufacturing with advanced technology and the agriculture machinery, as it is more likely that the central government will roll out more aggressive fiscal expanding policies. The valuation of the sector remained undemanding anyway.

3) Financial Services. This sector will benefit most if the central government takes more loosening monetary polices. The profitability of insurance companies will also dramatically improve in a more amiable macro environment.

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