

**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 JAN 31):	HKD 66.8 million
NAV per Unit (as of JAN 31):	HKD 69.35

**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:

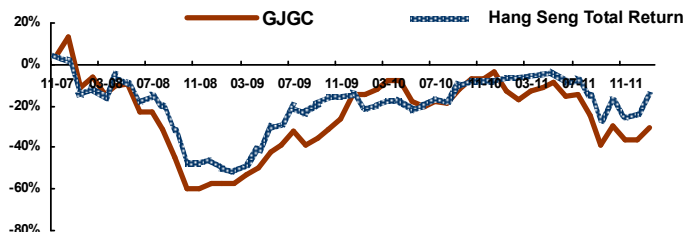
Mr. Adrian Au                      Ms. Kathy Yuen  
Phone: (852) – 2509 2652          Phone: (852) – 2509 7746  
Fax: (852) – 2509 7784              Fax: (852) – 2509 7784

**Fund Information Resources**

Bloomberg Ticker: GJGCHGR HK EQUITY  
Web URL: [http://www.gtja.com.hk/english/qtja\\_invest/zcqljj/gcgf.aspx](http://www.gtja.com.hk/english/qtja_invest/zcqljj/gcgf.aspx)

**Fund Performance Since Inception**

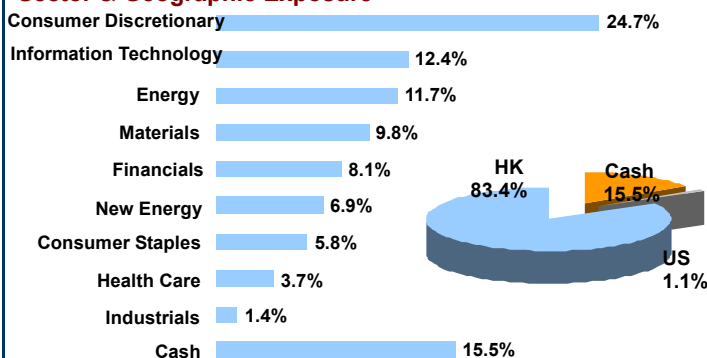
(measured by the percentage change in NAV-to-NAV basis)



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

	Total Return	Hang Seng Total Return Index
1 Month	8.3%	10.6%
3 Months	-2.0%	3.0%
6 Months	-18.9%	-8.0%
YTD Return	8.3%	10.6%
1 Year	-20.7%	-10.2%
3 Years	61.6%	68.4%
<b>Since Launch</b>		
Annualized Return	-8.5%	-4.0%
Annualized Volatility	31.9%	34.1%

**Sector & Geographic Exposure**



**Calendar year performance (%)**

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

	2007 <sub>1</sub>	2008	2009	2010	2011	2012 <sub>2</sub>
<b>The Fund</b>	12.9%	-62.0%	99.4%	12.1%	-33.4%	8.3%
<b>Hang Seng Total Return Index</b>	1.5%	-46.4%	56.5%	8.6%	-17.4%	10.6%

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of JAN 31, 2012.

**Top Ten Security Holdings**

#	Name	Industry	%
1	China All Access	Information Technology	8.5%
2	Hengdeli	Consumer Discretionary	7.8%
3	Haier Electronics	Consumer Discretionary	6.9%
4	Sinopoly Battery Limited	New Energy	6.3%
5	Sinopec	Energy	5.7%
6	Petrochina	Energy	5.1%
7	China Life Insurance	Financials	4.8%
8	Intime Departmental Store	Consumer Discretionary	4.4%
9	China Resources and Transport	Materials	3.7%
10	Global Bio - Chem Technology	Consumer Staples	2.6%

\*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)

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	0.3	-33.4	-36.0
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	2.6	-17.4	-23.5
Information Ratio*	-0.21	-0.30	-0.18	-0.02	-0.09	-0.03	0.04	0.07	0.06	0.27	0.22	0.12		
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Launch
Performance (%)	8.3												8.3	-30.7
Hang Seng Total Return Index (%)	10.6												10.6	-15.4
Information Ratio*	-0.09													

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 market rallied to approach the 52-week high in response to the better-than-ever unemployment rate since 2009, which was reported at 8.3% in January. The preliminary 4Q 2011 GDP growth was 2.8%, generally in-line. Personal income and personal consumption also improved by 0.5% and 2.0% respectively. In January, the Dow Jones increased by 3.4% to 12,633. The S&P 500 increased by 4.4% to 1,212 and the NASDAQ rallied by 8.0% to 2,814.

China's January macro figures confirmed that the economy's soft-landing is under the way. The latest PMI improved slightly from the previous month's 50.3 to 50.5. The retail sales growth in December reported at 18.1%, up 0.8% MoM. The GDP growth of 2011 was 9.2%, slower than the growth in 2010 but still decent. In January, the Hang Seng Index rallied by 10.6% to 20,391, and HSCEI hiked by 13.7% to 11,299.

**Brief Trading Summary**

The Fund's NAV gained by 8.3% in January, underperformed Hang Seng Total Return Index by 2.3% in the same period. The sentiment in Hong Kong Market moved upwards thanks to the improving global macro figures. High cyclical players generally outperformed in this month. The best players in our portfolio were World Wide Touch Technology (01282 HK, +26.6%), Hidili Industry (01393 HK, +25.5%) and VST Holdings (00856 HK, 21.7%).

In January, we didn't trade much and remained a relatively high cash ratio at 15.5%. We have trimmed down position on China All Access (00633 HK) below 9% of NAV in order to cope with the investment limit.

**Investment Strategy**

The Hong Kong market seemed started well in the first month of 2012 thanks to the commence of new-round global monetary easing, provoking by the news that US Fed will further defer the possible interest rate hike till 2H 2014. Also encouraging progress on Euro zone debt was achieved as the Greek debtor would probably accept more than 70% haircut of their on-hand Greek debts. Equity market's short-term sentiment definitely has improved as the high cyclical players rallied most.

China's 4Q 2011 GDP growth reported at 8.9%, better than expected and signaled a more visible soft-landing of domestic economy. Even though the long-expected RRR cut is yet to come, the central government is actively fine-tuning the fiscal policies to stimulate the SME sector. We are turning more positive on the short-term performance of Hong Kong market given the improving global and domestic policy environment.

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

- 1) Healthcare. Demand for healthcare services and drugs are still strong, and we expect the volumes will increase even though the movement of prices is uncertain. Sentiment on this sector is recovering as the valuation of this sector has fallen to the historical low level, which may offer a good entering point.
- 2) Internet. Decent 4Q 2011 sales growth is expected in this sector as the new-launched on-line games were well-received and revenues from advertisement increased in-line. With the coming mega IPO of Facebook, this sector will have a good chance of re-valuation.
- 3) Financial Services. This sector will benefit most if the central government taking more loosening monetary policies. The profitability of insurance companies will also be dramatically improved in more amiable macro 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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27F, Low Block, Grand Millennium Plaza, 181 Queen's Road, Central, Hong Kong Tel: (852) – 2509 7740 Fax: (852) – 2509 7784  
[www.gtja.com.hk](http://www.gtja.com.hk)