

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 FEB 29):	HKD 72.5 million
NAV per Unit (as of FEB 29):	HKD 75.2

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:

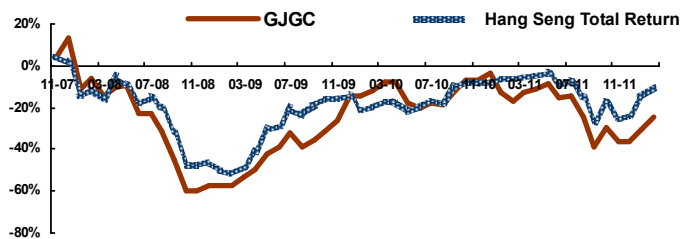
Mr. Adrian Au Ms. Kathy Yuen
Phone: (852) – 2509 2652 Phone: (852) – 2509 7746
Fax: (852) – 2509 7784 Fax: (852) – 2509 7784

Fund Information Resources

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

Fund Performance Since Inception

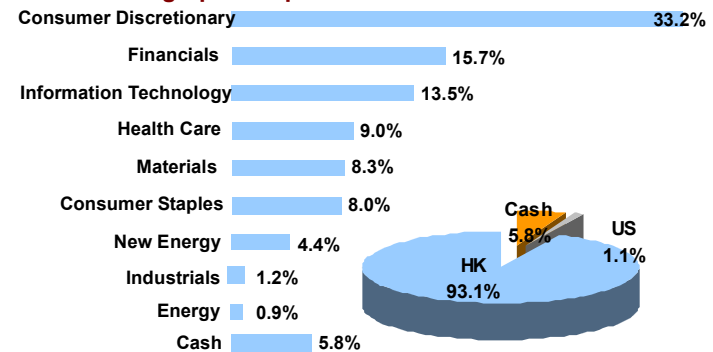
(measured by the percentage change in NAV-to-NAV basis)



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

	Total Return	Hang Seng Total Return Index
1 Month	8.4%	6.3%
3 Months	17.8%	20.6%
6 Months	-0.8%	6.5%
YTD Return	17.5%	17.6%
1 Year	-9.9%	-4.1%
3 Years	75.4%	85.6%
Since Launch		
Annualized Return	-6.6%	-2.5%
Annualized Volatility	31.7%	33.9%

Sector & Geographic Exposure



Calendar year performance (%)

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

	2007 ₁	2008	2009	2010	2011	2012 ₂
The Fund	12.9%	-62.0%	99.4%	12.1%	-33.4%	17.5%
Hang Seng Total Return Index	1.5%	-46.4%	56.5%	8.6%	-17.4%	17.6%

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of FEB 29, 2012.

Top Ten Security Holdings

#	Name	Industry	%
1	China All Access	Information Technology	8.6%
2	Hengdeli	Consumer Discretionary	8.1%
3	Haier Electronics	Consumer Discretionary	7.8%
4	China Construction Bank	Financials	7.2%
5	Silver Base Group	Consumer Discretionary	4.6%
6	Sihuan Pharmaceutical	Health Care	4.3%
7	Intime Departmental Store	Consumer Discretionary	4.2%
8	China Taiping	Financials	4.0%
9	Sinopoly Battery Limited	New Energy	3.9%
10	China Resources and Transport	Materials	3.5%

*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	8.4											17.5	-24.8
Hang Seng Total Return Index (%)	10.6	6.3											17.6	-10.1
Information Ratio*	-0.09	-0.13												

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

In February, the US stock market continued the rally, thanks to better-than-expected economic data. US industrial output rose 0.7% MoM in Jan after a revised gain of 1.5% in Dec, the best two-month performance since last July. The existing home sales rose 4.3% MoM to the highest level since May 2010. The Michigan consumer confidence index rose to 75.3. For this month, the Dow Jones increased by 2.5% to 12,952. The S&P 500 increased by 4.0% to 1,366 and the NASDAQ rallied by 5.4% to 2,967.

China's mixed macro figures reported in January indicated the difficult situation for the central government to consistently boost the growth. Due to the Chinese New Year effects, the export unexpectedly declined by 0.5% in January. The new Yuan loans were only 738.1 billion, significantly lower than market consensus. CPI also climbed up to 4.5%, higher than last December's 4.1%. The PBOC cut RRR by 0.5% to ease the liquidity. In February, the Hang Seng Index rallied by 6.3% to 21,680, and HSCEI hiked by 4.7% to 11,827.

Brief Trading Summary

The Fund's NAV gained by 8.4% in February, outperformed Hang Seng Total Return Index by 2.1% in the same period. The sentiment in Hong Kong Market remained optimistic. Thanks to PBOC's RRR cut, high-beta cyclical players, such as IT, materials and financials outperformed. The best players in our portfolio were Ju Teng Intl (03336 HK, +147.5%), Chigo Holdings (00449 HK, +53.6%) and VST Holdings (00856 HK, 38.1%).

In February, we have actively structured the portfolio to gain more exposure on undervalued domestic consumption players. We've added Silver Base Group (00886 HK) and Lianhua Supermarket (00980 HK). We also added China Construction Bank (00939 HK) in order to tilt more weight on banking sector. We have trimmed down positions on Sinopec (00386HK), PetroChina (00857 HK) and China Life (02628 HK). The cash ratio decreased to 5.8% by the end of February.

Investment Strategy

The US economy improved steadily, as the 4Q 2011 GDP growth was revised up to 3.0% from the previous record of 2.8%. The latest PMI in China also edged up to 51 for Feb. Given that the Euro zone got stabilized and the US is slowly recovered, we expect that China's export might not be as bad as expected. Despite PBOC finally cut RRR by 50bps in February, the money supply in China market is still quite tight. We believe the government may need to further cut the RRR twice in 1H 2012 to pump in ample liquidity.

Given that the annual result season is coming, and the China government will have its annual policy-decision meetings (NPC and CPPCC) at the same time, we see short-term risk on profit-taking but at a mild level. We suggest being more selective on stock-picking in near term.

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

- 1) Selective industrial players. The government remains supportive on selective high-end industrial equipment manufactory. We also expect several leading players in each niche market will report beat-consensus annual results. The valuation of the sector remains attractive.
- 2) Consumer Discretionary. One of the major tasks of the central government in this year is to continue the economic structural reform. The government is drafting plenty of stimulating policies to boost the domestic consumption. The declining CPI also helps this sector to restore profitability.
- 3) Healthcare. Demand for healthcare services and drugs are still strong, and we expect the sales 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 a historical low level, which may offer a good entry point.

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.
- Certain data in this document has been obtained from third parties. Guotai Junan Assets (Asia) Limited has taken its best endeavour to ensure the accuracy of such data, and in good faith believes it is reliable, and however does not guarantee the accuracy of such data.
- This document is issued by Guotai Junan Assets (Asia) Limited and has not been reviewed by the Securities and Futures Commission.

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