

**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**

Manager:	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 APR 30):	HKD 106.7 million
NAV per Unit (as of APR 30):	HKD 68.71

**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:

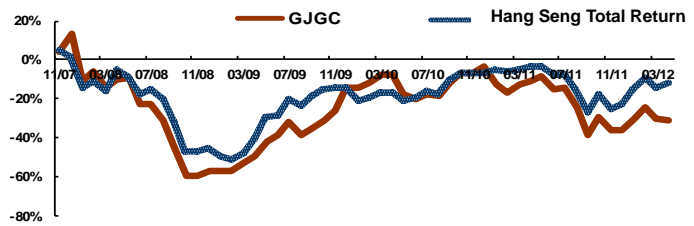
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**Fund Information Resources**

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

**Fund Performance Since Inception**

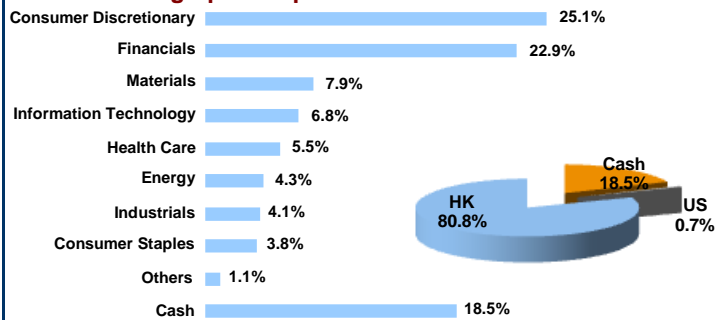
(measured by the percentage change in NAV-to-NAV basis)



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

	Total Return	Hang Seng Total Return Index
1 Month	-1.1%	2.7%
3 Months	-0.9%	3.9%
6 Months	-2.9%	7.0%
YTD Return	7.3%	14.9%
1 Year	-23.1%	-8.2%
3 Years	35.9%	48.9%
<b>Since Launch</b>		
Annualized Return	-8.3%	-2.9%
Annualized Volatility	31.3%	33.4%

**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%	7.3%
<b>Hang Seng Total Return Index</b>	1.5%	-46.4%	56.5%	8.6%	-17.4%	14.9%

- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of APR 30, 2012.

**Top Ten Security Holdings**

#	Name	Industry	%
1	Hengdeli	Consumer Discretionary	4.8%
2	China All Access	Information Technology	4.5%
3	China Construction Bank	Financials	4.3%
4	Haier Electronics	Consumer Discretionary	4.2%
5	Sinopec	Energy	3.7%
6	China Taiping	Financials	3.2%
7	Ping An Insurance	Financials	2.9%
8	Shanshui Cement	Materials	2.8%
9	Intime Departmental Store	Consumer Discretionary	2.7%
10	Belle International	Consumer Discretionary	2.7%

\*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)

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	-7.7	-1.1									7.3	-31.3
Hang Seng Total Return Index (%)	10.6	6.3	-4.9	2.7									14.9	-12.1
Information Ratio*	-0.09	-0.13	-0.26	-0.20										

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 macro economic data of March were generally in-line, which confirmed the market expectation that US economy will recover but in a rather slow pace. The GDP growth of 1Q 2012 was 2.2%, driven by strong personal consumption. The advance retail sales rose by 0.8% as well. Unemployment rate improved further to 8.2%. But Existing home sales unexpectedly fell due to seasonality effect. For this month, the Dow Jones unchanged, staying at 13,214. S&P 500 decreased by 0.8% to 1,398, and the NASDAQ declined by 1.5% to 3,046.

China reported weak 1Q economic data as expected. But most investors believed that the economy was actually bottomed in the 1Q, and the growth will gradually recover in the rest of year, thanks to the government's proactive policy support. China's 1Q GDP growth was 8.1%, and the industry production YTD growth was 11.6%. The new RMB loans in March were 1,010 billion and the M2 growth was 13.4%, which were both higher than market consensus after weak credit figures in January and February. CPI in March rebounded to 3.6% from last month's 3.1% mostly due to increase in food prices. In April, Hang Seng Index increased by 2.6% to 21,094, and HSCEI increased by 4.1% to 11,081.

**Brief Trading Summary**

The Fund's NAV decreased by 1.1% in April, underperformed Hang Seng Total Return Index by 3.8% in the same period. The top holding sector of the portfolio was consumer discretionary, which underperformed the broad market. In this month, the best players were Vinda International (03331 HK, +15.2%), China Oilfield (02883 HK, +12.9%) and Poly (HK) Investment (00119 HK, +12.5%).

We have actively constructed the portfolio in April. We tilted in sectors such as financial, energy and industrials, and we preferred leading players with reasonable valuation. Specifically, we added in Sinopec (00386 HK), Ping An Insurance (02318 HK), CPIC (02601 HK), China Life (02628 HK), PICC (02328 HK), and Dongfang Electrics (01072 HK) etc. We have trimmed down position on Chenming Paper (01812 HK) given its sluggish 1Q results. The cash ratio was 18.5% by the end of the month.

**Investment Strategy**

The Euro Zone debt crisis spread to core countries such as Italy and Spain, which led to a new round of panic selling in developed markets. But the situation in the US seemed encouraging, as the GDP growth stabilized at 2.2% in 1Q 2012. In China, The latest PMI continued rebounding to 53.3, up from last month's 53.1, which re-affirmed our judgment that the domestic economy is picking up from the bottom seen in 1Q. CSRC issued series of policy reforms in recent May holidays, which include: 1) cutting transaction cost for equity transactions, 2) tightening IPO requirements and 3) enforcing delisting of unqualified firms. We believe that the China government is making effort to lift up confidence of investors in A-share market. We are relatively optimistic in the short-term performance in both A-share and Hong Kong market.

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

- 1) Financial Services. The latest reform policies issued by CSRC signaled China government's willingness to bolster the domestic stock market. We believe the leading players in domestic financial markets, especially the large insurance firms and security firms will benefit most from the favorable policies.
- 2) Consumer Discretionary. This sector reported sluggish growth in 1Q 2012 partly due to the seasonal effect. We believe the sales growth will pick up in 2Q thanks to the general recovery of the macro economy. The valuation of the leading players seems attractive after the recent correction.
- 3) Selective Property Players. The sector's valuation is near the historical trough. The contract sales in 1Q 2012 improved on QoQ base, and the average housing price remained stable. We expect the local governments will fine-tune the tightening policies in the second half of 2012, given that the real estate sector remains one of the pillars to boost domestic growth. We prefer those undervalued industry leaders with healthy gearing ratios and large land reserve.

**Notes:**

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