

Guotai Junan Greater China Growth Fund

^Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"
 Monthly Report - 30 September 2012



國泰君安國際
 GUOTAI JUNAN INTERNATIONAL
 ASSET MANAGEMENT

Important Information

- 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 Performance

	2007 ¹	2008	2009	2010	2011	2012 ²
The Fund	12.9%	-62.0%	99.4%	12.1%	-33.4%	-0.8%
Hang Seng Total Return Index	1.5%	-46.4%	56.5%	8.6%	-17.4%	8.8%

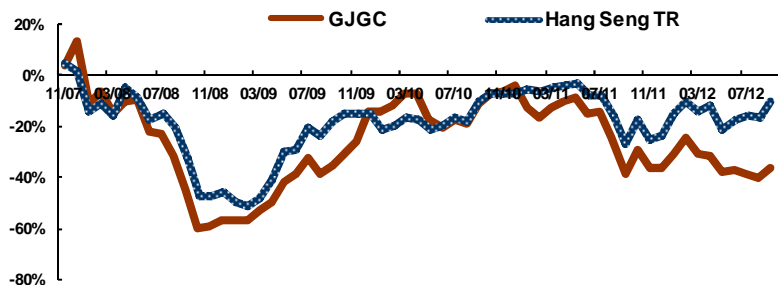
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of September 30, 2012

	1 Mth	3 Mth	6 Mth	YTD	1 Yr	3 Yr
The Fund	6.4%	1.3%	-8.5%	-0.8%	4.0%	-1.6%
Hang Seng Total Return Index	7.5%	8.0%	4.5%	16.9%	22.9%	9.8%

Fund Facts

Manager	Guotai Junan Assets (Asia) Limited
Inception Date	19 November 2007
Domicile	Cayman Islands
Trustee & Registrar	HSBC Trustee (Cayman) Limited
Auditor	Ernst & Young Limited
Dealing Frequency	Daily
Base Currency	Hong Kong Dollar
Fund Size	HKD 98.6MN
NAV	HKD 63.51
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

Performance Since Launch



The performance is measured in NAV-to-NAV in fund currency with net income re-investment.

Subscription and Redemption

Min Initial Subscription	HKD 10,000
Subscription Fee	Up to 5%
Annual Management Fee	1.5% per annum
Redemption Fee	
Less than 6 months	1%
6 mths or more but less than 12 mths	0.75%
12 mths or more but less than 18 mths	0.50%
18 mths or more but less than 24 mths	0.25%
24 mths or more	Waived

Top Ten Holdings

	%
China All Access	5.90%
ZTE	5.82%
China Life Insurance	5.25%
PICC	5.23%
Ping An Insurance	5.07%
Haier Electronics	4.38%
China Construction Bank	4.38%
Hengdeli	4.00%
New China Life Insurance	3.79%
Sinopec	3.69%

Sector Allocation¹

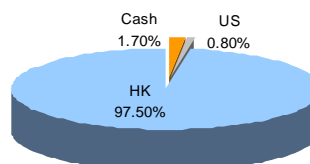
Financials	32.30%
Consumer Discretionary	24.60%
Information Technology	13.90%
Materials	8.10%
Consumer Staples	6.60%
Energy	4.40%
Industrials	4.00%
Health Care	3.30%
Cash	1.70%
Utilities	1.10%

Contact

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

[^]The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

Geographic Allocation



Market Outlook and Investment Strategy

The global market embraced another wave of monetary easing led by the ECB and US Fed's united actions. Other important countries, such as Japan, Brazil, India and Australia also announced further interest cuts or QE plan. The equity market was well bolstered thanks to the sufficient liquidity.

It was unexpected that China reported weak macro figures for August, which only arose much of investors' hope of further stimulus policies. As the Party finally announced the date of the important leadership transition meeting, we believe the fear of political uncertainty was released. We expect more solid and concrete stimulus plans will be announced after the Meeting. We are also optimistic on China's economic recovery in the 4Q, which will be supported by strong FAI stimulus.

Investment opportunities are likely to exist in following areas for the next month: FAI related sector, insurance and health care sector.

Disclaimer

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Investment involves risk. The prices of units may go up as well as down. Past performance is not indicative of future performance. Please refer to the Explanatory Memorandum for details including risk factors.

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