

Guotai Junan Greater China Growth Fund

^Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"
 Monthly Report - 31 December 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% | 18.4% |
| Hang Seng Total Return Index | 1.5% | -46.4% | 56.5% | 8.6% | -17.4% | 27.5% |

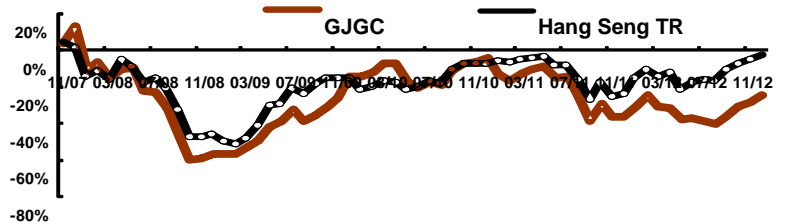
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 December, 2012

| | 1 Mth | 3 Mth | 6 Mth | YTD | 1 Yr | 3 Yr |
|------------------------------|-------|-------|-------|-------|-------|--------|
| The Fund | 5.9% | 19.4% | 21.0% | 18.4% | 18.4% | -11.5% |
| Hang Seng Total Return Index | 2.9% | 9.0% | 17.7% | 27.5% | 27.5% | 14.3% |

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 | HKD125.89MN |
| NAV | HKD 75.81 |
| Bloomberg Code | GJGCHGR HK Equity |
| ISIN Code | KYG421241004 |

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited
 Last update: 31 Dec 2012

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 | 6.40% |
| China Life Insurance | 4.62% |
| Ping An Insurance | 4.38% |
| China Construction Bank | 3.95% |
| Future Land Development | 3.67% |
| New China Life Insurance | 3.51% |
| Sinopec | 3.48% |
| China Pacific Insurance | 3.41% |
| Hengan International | 2.78% |
| Hidili Industry | 2.78% |

Sector Allocation¹

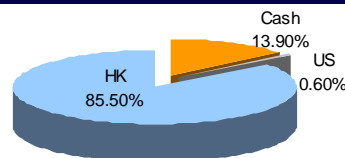
| | |
|------------------------|-------|
| Financials | 30.8% |
| Consumer Discretionary | 11.7% |
| Information Technology | 9.9% |
| Consumer Staples | 9.1% |
| Energy | 6.9% |
| Industrials | 5.8% |
| Health Care | 5.3% |
| Materials | 3.7% |
| Utilities | 2.9% |
| Cash | 13.9% |

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



1. Based on the Global Industry Classification Standard

Market Outlook and Investment Strategy

At the point of forecasting for year 2013, we expect that US and European economies will be stable amid abundant global liquidity. Specifically, we will see the EZ credit environment start to improve and the economy of core Euro Zone countries will stabilize. US will finally solve the "fiscal cliff" problem, but the fiscal tightening is inevitable.

For China, we remain relatively optimistic. The economy bottomed in 3Q12 and is likely to embark on a two-quarter up-cycle. The newly established leadership will deliver clear policies and the execution will improve as compared to 2012.

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

Disclaimer

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