

Guotai Junan Greater China Growth Fund

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"

Monthly Report - 31 Jan 2014

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 make investment decisions based on this material alone. 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	2013	2014 ²
The Fund (%)	12.93	-61.96	99.44	12.15	-33.37	18.42	12.02	0.54
Hang Seng Total Return Index (%)	1.55	-46.40	56.65	8.57	-17.38	27.46	6.55	-5.45

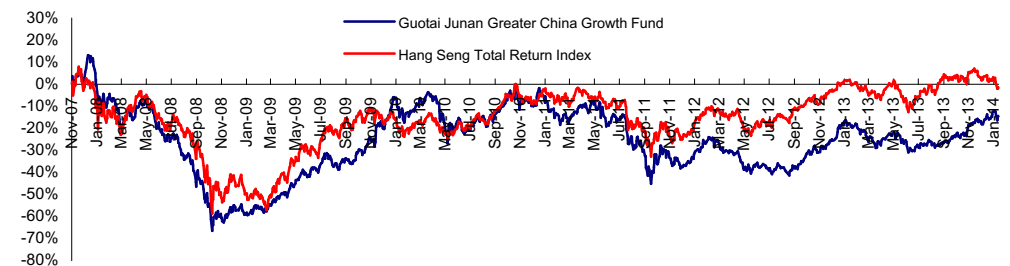
- Calculated since the launch of the Fund as at 19 November 2007.
- Measured as of 31 Jan 2014

	1 Mth	3 Mths	6 Mths	YTD	1 Yrs	3 Yrs	5 Yrs
The Fund (%)	0.54	10.87	18.34	0.54	4.17	-2.32	98.93
Hang Seng Total Return Index (%)	-5.45	-4.97	1.67	-5.45	-3.81	4.22	95.48

Fund Facts

Manager	Guotai Junan Assets (Asia) Limited
Inception Date	19 Nov 2007
Domicile	Cayman Islands
Trustee & Registrar	HSBC Trustee (Cayman) Limited
Auditor	Ernst & Young Limited
Dealing Frequency	Daily
Base Currency	Hong Kong Dollar
NAV	HKD 85.38
Fund Size	HKD 138.55 Million
Bloomberg Code	GJGCHGR HK Equity
ISIN Code	KYG421241004

Performance Since Launch



Source: Guotai Junan Assets (Asia) Limited

Last update: 31 Jan 2014

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% p.a.
Redemption Fee*	
Less than 6 mths	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

* Redemption fee will be waived for investors who subscribed through nominee account.

Contact

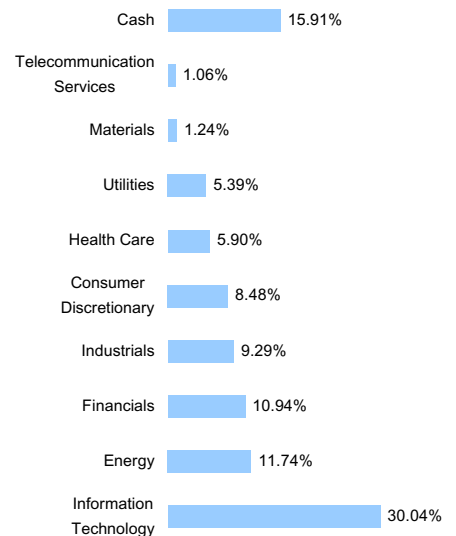
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^The Fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region

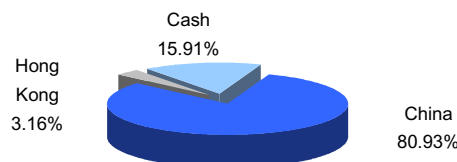
Top Ten Holdings

	%
China All Access	7.78
Tecent	6.90
Merry Garden	3.85
SMIC	3.42
China Medical System	3.33
China Everbright International	3.20
Lenovo Group	3.09
China State Construction Intl	3.05
CITIC Securities	2.76
SPT Energy	2.53

Industry Allocation⁴



Exposure by Major Revenue Source³



3. Sources: Bloomberg, Guotai Junan Assets (Asia) Ltd.

4. Based on the Bloomberg: Industry Classification System.

Market Outlook and Investment

Huge fund outflow from emerging markets was observed in Jan 2014 due to the Fed's tapering. Many countries had to depreciate their currencies combined with interest rate hikes. Despite the disappointing PMI data for the US, we are still confident on its economy as the latest figures might be undermined by the extreme cold weather.

China's sluggish HSBC Flash PMI came as a negative surprise to the market. Given the still relatively tightened monetary environment as the central government is more concerned on financial stability, we expect the economic growth might slow down in 1H 2014.

Given that China faces risks of tight liquidity and slow-down economic growth, our short-term outlook for Hong Kong and Chinese equity market remained cautious. We see limited opportunity on the broad market performance, while we are relatively optimistic on sectors which are enjoying steady growth:

Mobile internet applications: China's smart-phone popularization grew rapidly at a rate of 63% in 2013. The technology bottleneck was also released given that China government issued the 4G licenses and standards requirements to the telecom service providers. We see huge demand for mobile internet applications, including mobile games and other social communication application.

Natural gas: We still see steady double-digit growth rate on China's natural gas consumption till 2015. The possible further price reform will boost the upstream explorers' margin. The increasing consumption volume will benefit the downstream distributors.

Disclaimer

The information and data contained in this document is for reference only and does not constitute investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service.

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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.

This document is issued by Guotai Junan Assets (Asia) Limited and has not been reviewed by the Securities and Futures Commission.