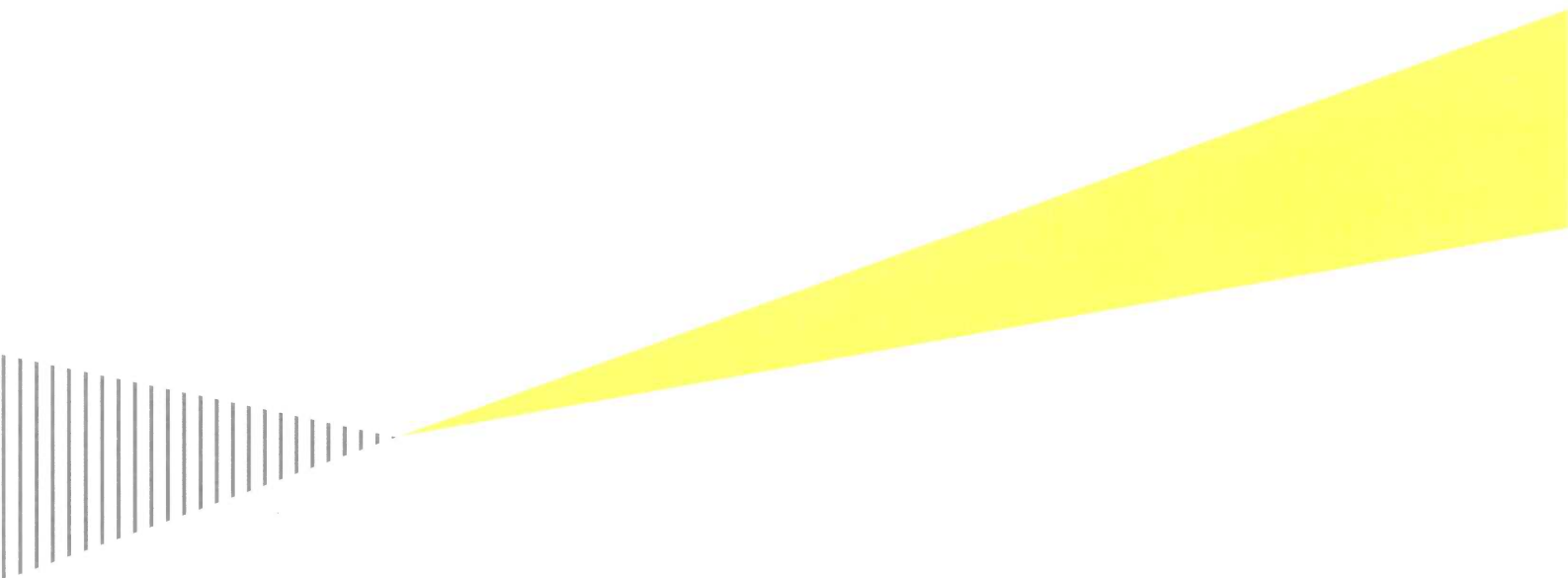


Annual Report

GUOTAI JUNAN INVESTMENT FUNDS

A unit trust constituted by a Trust Deed dated
29 August 2007 under the laws of the Cayman Islands

31 December 2013



GUOTAI JUNAN INVESTMENT FUNDS

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GUOTAI JUNAN INVESTMENT FUNDS

ADMINISTRATION AND MANAGEMENT

Investment Manager

Guotai Junan Assets (Asia) Limited
27th Floor, Low Block
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Hong Kong

Directors of the Manager

YIM Fung
YUAN Junping

Trustee and Registrar

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HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

Service Provider to Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Auditors

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Suite 6401
62 Forum Lane
Camana Bay
P.O. Box 510
Grand Cayman KY1-1106
Cayman Islands
British West Indies

Legal Adviser

Sidley Austin
39th Floor
Two International Finance Centre
8 Finance Street
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Cayman Island Legal Advisers to the Manager

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Grand Cayman KY1-1111
Cayman Islands

INVESTMENT MANAGER'S REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2013

GUOTAI JUNAN INVESTMENTS FUNDS

- GUOTAI JUNAN GREATER CHINA GROWTH FUND**
- GUOTAI JUNAN EQUITY INCOME FUND**
- GUOTAI JUNAN HONG KONG DOLLAR BOND FUND**

MARKET REVIEW

Year 2013 was another recovery year for developed economies. With the global financial crisis now past for 5 years, the worldwide economic and political landscapes have witnessed profound changes. In the wake of painstaking deleveraging in the US, the epicenter of the global crisis, its economy is back on a steady growth track and poised to assume leadership once again in driving global economic growth after a lengthy decade. Furthermore, crisis-ridden Europe has slowly returned to temporary quietude after political and economic shakeups, as the economy is likely to resume positive growth despite the gloomy outlook over attempts to resolve deep-seated contradictions.

For China and Hong Kong equity markets, year 2013 was still a gloomy year with disappointing returns. In the 1st half of the year, the markets plunged in June after the Shanghai Interbank Offered Rate (SHIBOR) spiked, but underwent a steady recovery in the 2nd half of the year. In particular, the markets made significant gains after the Third Plenary Session of the 18th Central Committee of the Communist Party in November, but the positive influences seemed to have somewhat abated afterwards.

In review of the captioned period, major equity indices of the United States, Europe and Japan, represented by the S&P 500, the MSCI Europe and the MSCI Japan recorded positive returns of 32.4%, 20.7% and 54.9% respectively. On the same basis, the MSCI Emerging Market recorded a negative return of 2.3%. Specifically, the CSI300 Index declined by 5.3%, the HSCEI Index declined by 1.5%. Hang Seng Index recorded mild gain at 6.6%.

In review of Hong Kong's fixed income market, following the rise in interest rate in the United States, interest rate also surged in Hong Kong. HKMA Hong Kong Exchange Fund Notes 10 year surged from 0.598% on 31/12/2012 to 2.305% on 31/12/2013. Yield curve got an upward shift in 2013.

INVESTMENT MANAGER'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

GUOTAI JUNAN INVESTMENTS FUNDS

- GUOTAI JUNAN GREATER CHINA GROWTH FUND**
- GUOTAI JUNAN EQUITY INCOME FUND**
- GUOTAI JUNAN HONG KONG DOLLAR BOND FUND**

MARKET OUTLOOK

In 2014, the U.S. and European economies are expected to continue recovering slowly. With the Federal Reserve started tapering at the end of 2013, given the improving U.S. job market and rising inflation concern, it is widely expected that the tapering would continue to be implemented in the coming months, hence it would have a negative impact on the interest rate sensitive assets. For the global equity markets, it is highly likely that the tapering may cause fund flows from the emerging markets to the developed markets and so we are not optimistic about the general liquidity conditions in emerging equity markets.

For the Greater China markets, although there are lingering concerns about the shadow banking and potential credit bubble burst in China, we believe it is just a throe during the process of China's transformation from an investment-driven economy to a consumption-driven economy. Following the 18th Communist Party's Third Plenum last November, the top leadership in China showed commitment and determination to focus on the quality of GDP growth rather than the quantity. Market mechanism is going to play a more critical role in resources allocation which including state-owned enterprise reforms. Therefore, we expect the general market index would probably be range bounding in 2014, as there are still some obstacles to be overcome such as aforementioned shadow banking, and overcapacity in certain industrial sectors, with the tightening monetary stance of the PBOC, combining tapering by the Federal Reserve. However, we believe with the implementation of the reforms and further development in the economy transformation, there would be certain emerging sectors that would benefit and prosper under the new paradigm, such as new energy, healthcare, technology and internet. We would position ourselves accordingly with the outperforming sectors.

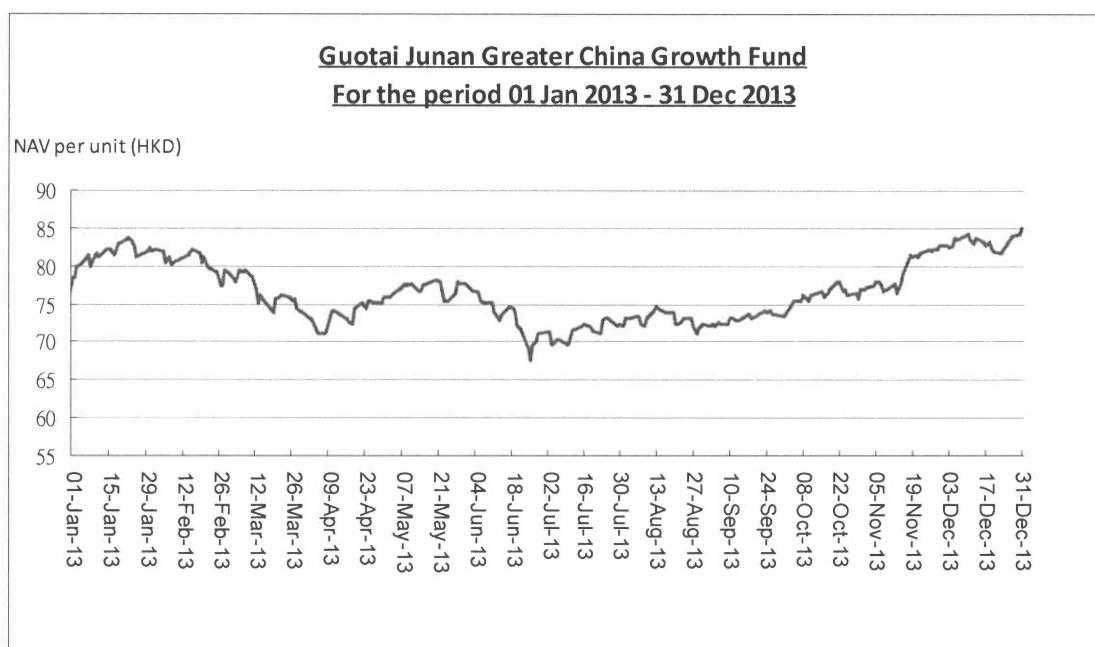
In terms of the outlook for Hong Kong fixed income market, we predict a surge in interest rate and an upward shift of the yield curve will continue in 2014, as the United States started tapering in quantitative easing by the end of last year.

INVESTMENT MANAGER'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUB-FUNDS' PERFORMANCE

A. Guotai Junan Greater China Growth Fund



Index / Fund's Name	2013 Rate of Return (%)*	Since Inception Rate of Return (%)
Taiwan Taicex Total Return Index	15.1%	23.9%
Guotai Junan Greater China Growth Fund	12.0%	-15.1%
MSCI Golden Dragon Total Return Index	8.0%	1.1%
Hang Seng Total Return Index	6.6%	3.9%
MSCI China Daily Total Return Index	4.0%	-12.7%
Hang Seng China-Affiliated Total Return Index	3.1%	-9.5%
Hang Seng China Enterprises Total Return Index	-1.5%	-21.8%

* Ranked by the total returns of indices or the Fund for year 2013.

The total return of the Guotai Junan Greater China Growth Fund (“GJGC”) increased by 12.0% in year 2013, and recorded a decrease of 15.1% since its inception on 19 Nov 2007.

In year 2013, GJGC outperformed the total returns of the Hang Seng Index (“HSI”) and the Hang Seng China Enterprises Index (“HSCEI”) by 5.4% and 13.5% respectively. Even though the H-Share stocks generally underperformed the HSI, the portfolio of GJGC had outweighed some outperforming mid-small cap stocks which had offset the underperformance of the big cap H-Share stocks.

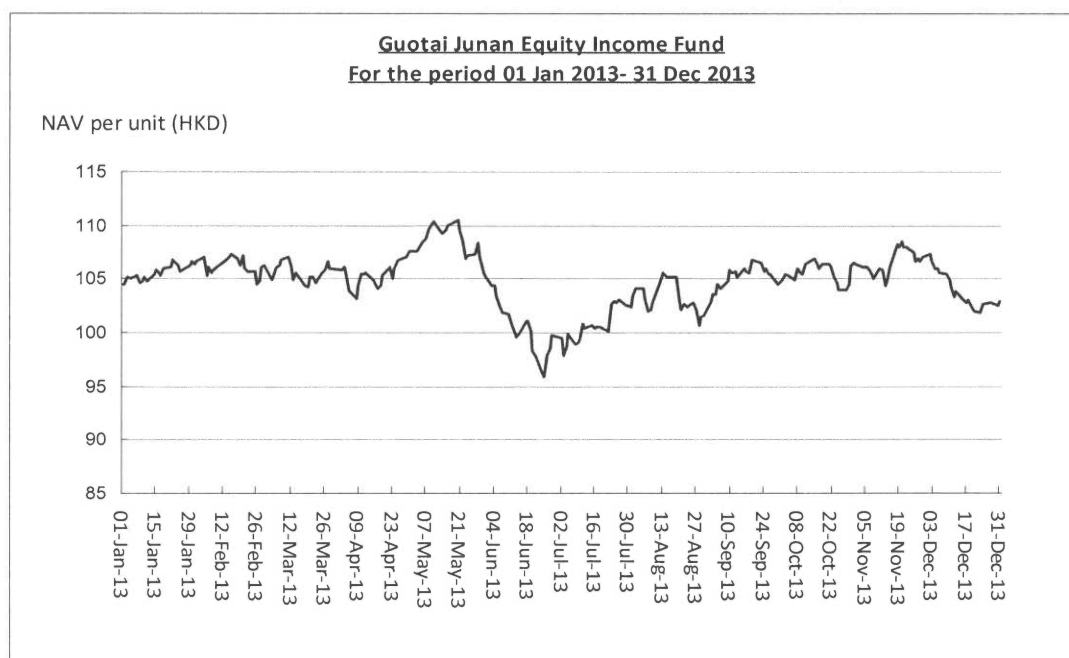
As of the end of 2013, the portfolio of GJGC was well diversified. Amongst all exposure, information technology, energy and financials were the top weighed sectors, which made up of 28.2%, 12.3% and 11.6% of the NAV respectively

INVESTMENT MANAGER'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUB-FUNDS' PERFORMANCE (CONTINUED)

B. Guotai Junan Equity Income Fund



Index / Fund's Name	2013 Rate of Return (%)*	Since Inception Rate of Return (%)
Taiwan Taiex Total Return Index	15.1%	13.2%
MSCI Golden Dragon Total Return Index	8.0%	11.9%
Hang Seng Total Return Index	6.6%	15.5%
Dow Jones Hong Kong Select Dividend 30 Total Return	4.3%	7.1%
MSCI China Daily Total Return Index	4.0%	8.4%
Hang Seng China-Affiliated Total Return Index	3.1%	13.4%
Guotai Junan Equity Income Fund	-0.2%	5.8%
Hang Seng China Enterprises Total Return Index	-1.5%	-0.8%

* Ranked by the total returns of indices or the Fund for year 2013.

The NAV of the Guotai Junan Equity Income Fund (“GJEI”) had a total return of -0.2% in full year of 2013, and recorded a total return of 5.8% since its inception on 29 Feb 2012. In 2013, GJEI underperformed the total return of the Dow Jones Hong Kong Select Dividend 30 Index (“DJHKSD”) and the HSI by 4.5% and 6.7% respectively, but it outperformed the total return of HSCEI by 1.3%. We believe the GJEI’s high exposure to H-Share stocks was the key reason for GJEI to underperform the DJHKSD and HSI. The outperformance versus HSCEI could be attributable to the strategy of selecting stocks with relatively low beta and higher cash level during market downturn.

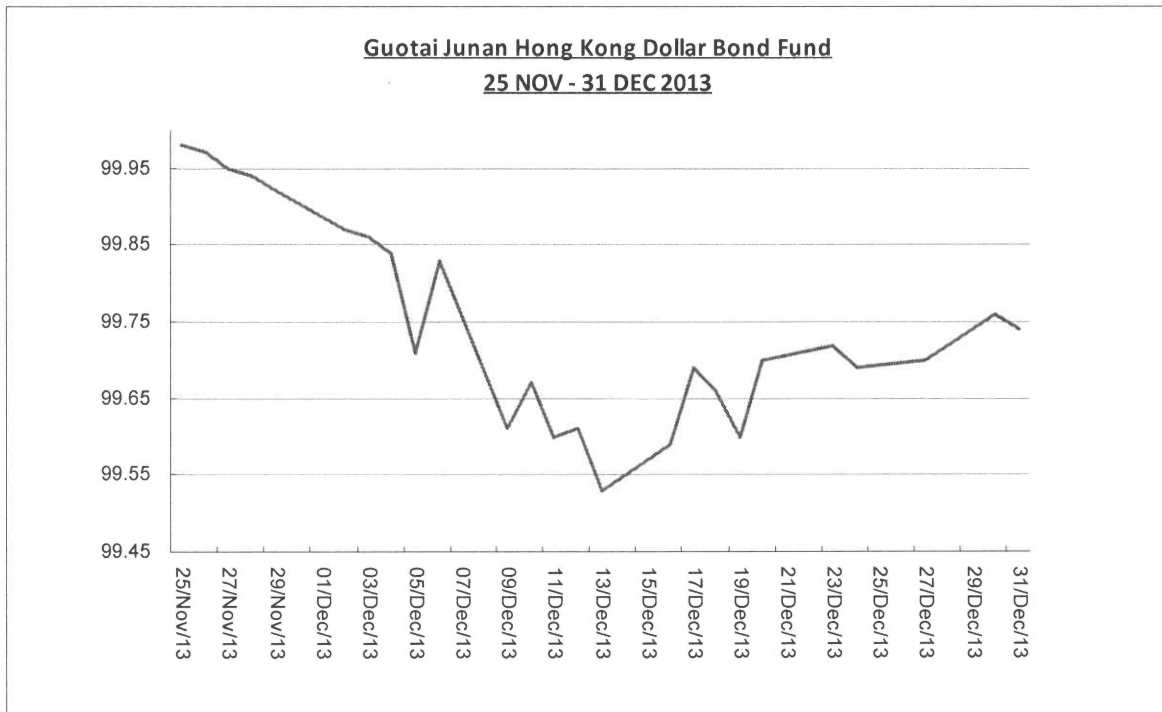
As of 31 December 2013, the portfolio of GJEI tilted more exposure to financials, which consisted of financial institutions and real estate firms, and they had relatively higher dividend yields. Financials, consumer staples and industrials were the top weighed sectors, which made up of 48.7%, 9.9% and 5.7% of the fund’s NAV respectively.

INVESTMENT MANAGER'S REVIEW (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

SUB-FUNDS' PERFORMANCE (CONTINUED)

C. Guotai Junan Hong Kong Dollar Bond Fund



The fund was launched on 25 November 2013, the NAV per unit was HK\$99.98 on the launch day and NAV HK\$ 99.74 on 31 December 2013.