

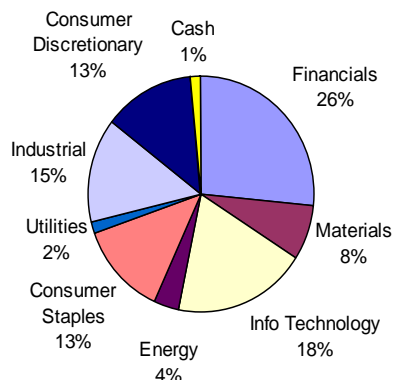
## Asian Market Leaders Fund

31 December 2009

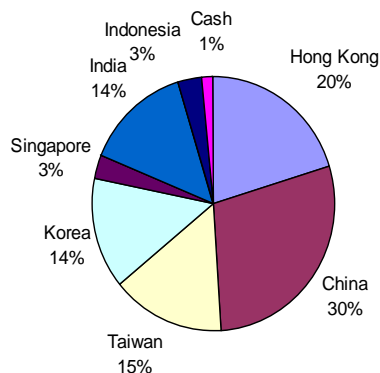
★★★  
Morningstar Rating™  
Source of Star Rating: Morningstar HK

Unit Price  
US\$31.43

### Sector Weighting



### Country Weighting



### Fund Details

The investment objective of the Asian Market Leaders Fund is to achieve capital appreciation by investing in the shares of regional Asian companies. The Fund invests its assets in Asia.

Launch date	20/12/1995
Authorisation	SFC <sup>1</sup> and UCITS approved
Bloomberg Code	HAMAML ID
Dealing	Daily
Investment Advisor	Hamon Asset Mgmt. Ltd.

#### Important Information:

Investment involves risk. Past performance is not indicative to future performance. The fund may invest in emerging markets, smaller companies and derivative instruments and thus involve higher risk and volatility. Before investing, please refer to the offering document(s) for details, including the risk factors.

The document is issued by Hamon Investment Group and has not been reviewed by the SFC. It is not a recommendation, an offer or invitation to investment. Consult your financial advisor before making any investment decisions.

### Fund in figures (NAV to NAV, with dividend reinvested)

#### Cumulative Performance % in US\$

	Dec 09	YTD	3 yr	5 yr
Asian Market Leaders Fund	3.65%	96.92%	29.09%	108.93%
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	4.45%	68.88%	13.96%	82.16%

1. The Fund has changed its index from MSCI AC FE Free ex-Japan to MSCI Daily TR AC FE ex-Japan Net with effect from 1 January 2007.

#### Calendar Year Performance % in US\$

	2009	2008	2007	2006	2005
Asian Market Leaders Fund	96.92%	-60.39%	65.48%	33.92%	20.85%
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	68.88%	-50.56%	36.49%	31.74%	21.33%

### Highlights

- Chinese liquidity remains plentiful but tightening to be expected.
- Asian markets look to carry 2009 momentum into 2010.
- Tech sectors outperformed during the month, demand for new products should beat expectations.

### Fund Review

Asian markets moved higher in December and were mainly driven by the strong performance in Korea and Taiwan, while the China/HK markets lagged on concerns over potential government tightening. Tech sectors outperformed as the over-demand, under-supply imbalance supported shares for the Fund's Korean and Taiwanese holdings. Chinese domestic sectors, most notably property, experienced a modest correction during the month, as the Fund's 3.7% performance was slightly below the index's return. Nevertheless, the Fund rose 96.9% in 2009, significantly outperforming the benchmark and most competitors.

Policy risks though will be the key determinant of market behavior for China/HK equities in 2010, as central governments look to target policies to combat asset inflation. However, the financial sector should be less impacted by policy changes. Deepening financial reforms, including China's efforts to introduce a futures index, should benefit Chinese brokerage houses.

The Taiwanese market closed on a strong note, driven by tech names. Strong sales are expected to flow into 1Q10. LCD companies were the best performing in the tech sector, as an increase in ASP, tight supply, and stronger order books, due to Chinese New Year demand, rallied share prices.

Korea rose during the month, led by positive performance throughout its export sectors. Recovery in the US and growing demand in China continues to support Korea's export driven economy, most notably in machinery, auto and tech.

The Indian BSE rose 3.2% in December, as market volumes were lighter ahead of the year end. With the macro economy continuing along its growth path. The Finance Minister indicates that the GDP could expand beyond 8% in 2010.

As the Asian markets look to carry 2009 momentum forward into 2010, Asian equities will continue to offer strategic and long term investment opportunities. The market remains on track for economic growth that exceeds the West, as industrial production figures should help ease policy concerns, while better than expected Chinese New Year demand should support sales figures.

### Market Review

#### CHINA/HK

China's manufacturing index grew at its fastest pace in five years in December, expanding to 56.1. Hong Kong exports increased by 1.3% in November, rising for the first time in more than a year.

#### INDIA

India announced plans to launch a second direct terrestrial communications link with China, helping to boost bilateral trade between the world's two fastest-growing emerging countries.

#### KOREA

Korea's December exports increased the most in 17-months driven by a spurring recovery in the US and growing demand in China. The Kospi was up 8.3% this month.

#### TAIWAN

The market rose 8.7% in December, with Taiwan and China formally signed three agreements at the end of December. This marks the completion of the fourth round of cross-strait talks that resumed after President Ma took office.