

Asian Market Leaders Fund

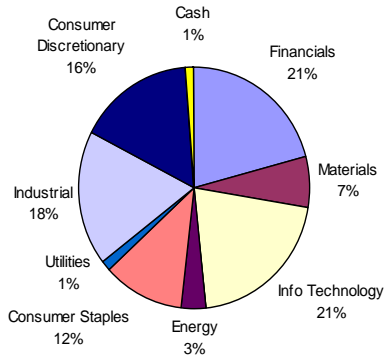
31 March 2010



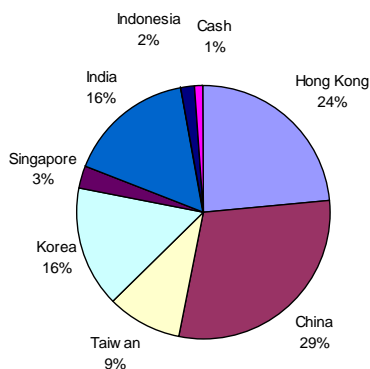
Morningstar Rating™
Source of Star Rating: Morningstar HK

Unit Price
US\$30.42

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 ¹ 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\$

(NAV in US\$)
Source: BNY Mellon, Bloomberg

	Mar 10	YTD	1 yr	3 yr	5 yr
Asian Market Leaders Fund	4.94%	-3.20%	86.80%	19.02%	96.49%
MSCI Daily TR AC FE ex-Japan ¹	6.99%	0.82%	68.95%	13.39%	80.68%

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 ¹	68.88%	-50.56%	36.49%	31.74%	21.33%

Highlights

- Asian markets recovered after a slow start at the beginning of the year.
- Relations between Taiwan and China continue to improve, as new guidelines were revealed to help liberalise cross-strait financial investments.
- Upbeat 1Q earnings and positive 2Q guidance should continue to rally tech stocks.

Fund Review

Asian markets recovered substantially in March after a relatively weak performance during the first two months of the year. The Fund underperformed the index, with the weak performance of the Fund's holdings in US-listed Chinese companies, as well as Indian stocks, dragging the performance down due to the seasonality effect and longer period of execution time required for new business plans. Nevertheless, a strong recovery is seen in the tech sector throughout the region, particularly in DRAM and LED, while China/HK property and retail companies have also rebounded from recent lows.

During the month, the Fund switched out from outperforming container shipping sectors in favour of regional bulk companies where prices are still trading at undemanding valuations. The Fund also increased its exposure in niche manufacturers, driven by expanding domestic Chinese sales and a nascent recovery in the West.

The Chinese market relatively underperformed the region. The current drought in southwest China is not expected to have a major impact on national food prices, as ample grain supplies should help keep prices relatively stable.

Aiming to achieve 9% GDP target for India's economy, the Finance Minister has introduced plans to increase consumption, including rate cuts in personal taxation. The RBI also raised interest rates by 0.25%, taking its initial steps towards normalising monetary policies.

Taiwan unveiled guidelines to permit Chinese financial companies to invest and open branches on the island. Under the rule, single Chinese financial institutions will be allowed to own as much as 5% of a Taiwanese bank, while Chinese banks' combined holdings in a single Taiwanese bank will be capped at 10%.

Supported by positive investor sentiment, Asian currencies continue to appreciate against the USD, which has also strengthened against other major currencies. Shortages remain apparent in LED, DRAM and other small-size components, as positive first quarter earnings and solid guidance for the second quarter should continue to lift share prices. Consumption will continue to be the long term theme of the Fund.

Market Review

CHINA/HK

Despite decent earnings growth announcements, the markets were concerned over the possible trade war, the rise of raw material prices and wages and inflation due to increase in food price.

INDIA

During the Conference on Building Infrastructure: Challenges and Opportunities in New Delhi, the Indian government plans to raise infrastructure investment to US\$1trn over the next 5 years, during the 12th-Five Year Plan.

KOREA

The Kospi rallied in March as the Bank of Korea kept interest rates at 2% for the 12th consecutive month. Korea is also expected to be upgraded to developed market status by stock index provider MSCI this year.

TAIWAN

Exports expanded for the fourth straight month in February, fuelled by strong demand from China during the Lunar New Year holidays and the launch of new products including the Apple iPad.