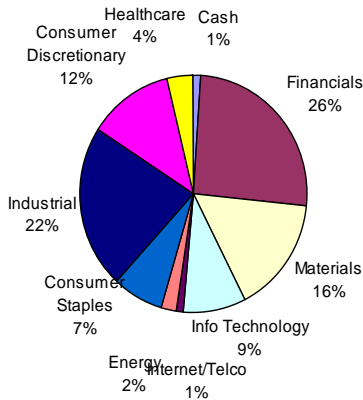


Hamon Greater China Fund

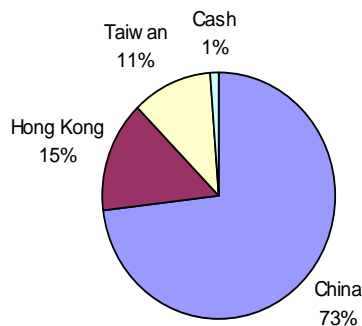
31 August 2009

Unit Price
US\$9.09

Sector Weighting



Country Weighting



Fund Details

The investment objective of the Hamon Greater China Fund is to achieve capital appreciation by investing in the shares of the Greater China region, including China, Taiwan and Hong Kong

Launch date	10/3/2008
Authorisation	SFC and UCITS approved
Bloomberg Code	HAMGRCH 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

	Aug 09	YTD	Since Inception (10 Mar 2008)
Hamon Greater China Fund	-10.97%	77.46%	-9.14%
MSCI AC Golden Dragon Net USD Index	-5.82%	43.40%	-16.37%

Calendar Year Performance % in US\$

	2008	2007	2006	2005
Hamon Greater China Fund	-48.80%	-	-	-
MSCI AC Golden Dragon Net USD Index	-41.68%	-	-	-

Highlights

- Better than expected company earnings and favourable macro data suggest Chinese economy is improving.
- Chinese markets corrected over possible government exit of stimulus policy.
- We believe the correction is healthy.

Fund Review

The market correction came as interim results of Chinese listed companies showed a broad sequential improvement in earnings. According to the JP Morgan report, 2Q09 profits of 1631 A-share companies listed in Shanghai and Shenzhen improved 36.3% over 1Q09, which reflects resilient domestic demand and improving economic fundamentals.

Investors became concerned over policy tightening and an accelerated pace of IPOs and share placements. The reversal of stimulus policies is not expected, but better loan control is likely. The Chinese domestic stock market recorded its second-worst monthly performance in 15 years, with the Shanghai and Shenzhen composites falling 21.8% and 19.1% respectively in August, after surging over 80% from January until the end of July. The Fund fell 11.0%, underperforming the MSCI Golden Dragon Index, which fell 5.8%, due to the Fund's weighting in China A and B shares and the Fund's exposure to property stocks.

Investors took profit on outperforming property names, and the Fund's property holdings corrected more than 20% during the month. Contrary to the weak share price, most property firms reported steady earnings growth in the second quarter, as transaction volumes saw a strong rebound in the second quarter and residential prices increased nationwide. The Fund's top property holdings have delivered better than expected 1H09 results. We believe the government has no intention to curb end-user housing demand and instead will look to prevent the property market from becoming overheated as in FY07. We maintain the Fund's property mid-cap exposure, where we see better valuation support and upside potential in the long term.

China is stepping into another development stage of economic growth, focusing more on sustainable growth rather than just high growth rates, with the government emphasizing environmental efforts. As a result, we have increased the Fund's holdings in energy saving and "green" energy themes, including powers grids, LED and solar technology, while adding more consumer names, with confidence in continued growth in domestic consumption.

The ramifications of the typhoon and political instability in Taiwan depressed the equity market in August, but should have minimal long-term impact to its economic recovery. The visit of Dalai Lama should not sway the strengthening of cross strait relations in the long term.

Following the rapid pace of the Chinese stock market expansion since March 2009, a market correction is inevitable and healthy. Positive economic data continues to support the long-term growth story for China, as government stimulus programs continue to drive and support domestic consumption, while recovery in the US will also serve as another driver for economic growth. The equity market is expected to rally later this year, when China celebrates its 60th anniversary of the PRC on economic optimism.