

# Hamon Asian Funds - Hamon Greater China Fund

30 July 2010

Unit Price (USD class)  
US\$10.40

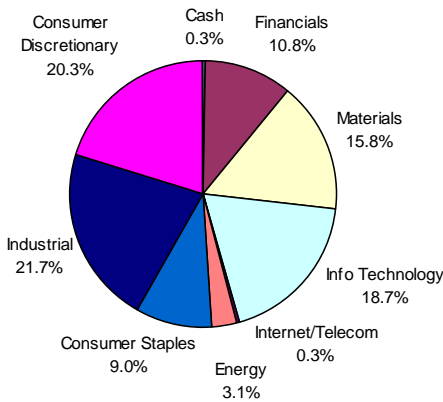
Fund in figures (NAV to NAV, with dividend reinvested)

Cumulative Performance % in US\$

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

	Jul 10	YTD	1 yr	Since Incept. (10 Mar 08)
Hamon Greater China Fund	11.16%	-10.03%	1.92%	4.01%
MSCI AC Golden Dragon Net USD	6.01%	-2.11%	7.15%	-4.86%

## Sector Weighting



## Calendar Year Performance % in US\$

	2009	2008	2007	2006	2005
Hamon Greater China Fund	125.79%	-48.80%	-	-	-
MSCI AC Golden Dragon Net USD	66.66%	-41.68%	-	-	-

## Highlights

- Earnings announcements and optimistic sector guidance lifted Asian shares.
- The PBOC and the HKMA reached a new agreement to permit Hong Kong banks to establish yuan accounts, further internationalising the RMB.

## Fund Review

The Fund outperformed MSCI Golden Dragon Index in July, rising 11.2%, while the index rose 6.0%. The outperformance was due to strong performance in Chinese construction material producers and domestic retailers, as well as a firm rebound in first half underperforming stocks. The Fund also witnessed positive contribution from its property names, as investors believe Beijing's tightening measures may have already peaked. Policy relaxation and positive semi-annual results rallied the Shanghai and Shenzhen composite index 10.1% and 13.9% respectively. B-shares also outperformed, benefiting the Fund's exposure in the A and B-share markets.

The People's Bank of China and the Hong Kong Monetary Authority signed a supplementary memorandum of cooperation to permit Hong Kong banks to offer basic RMB accounts and more yuan denominated financial products to be developed in Hong Kong. As demand for the RMB has risen on closer trade and economic ties with China, the announcement further internationalises the RMB while strengthening Hong Kong as the premier offshore RMB market. This agreement will also set new measures permitting central banks of China and Taiwan to authorize BOC Hong Kong to offer yuan cash settlement services to Taiwanese banks operating in Hong Kong.

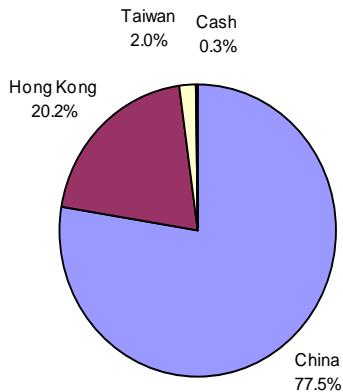
China's National Energy Administration announced a new energy development plan involving as much as RMB 5 trillion in additional investments over the next ten years, as the scheme will foster the development of nuclear, wind and solar power, smart grid and unconventional natural gas. The implementation is expected to reduce 1.2 billion tonnes of carbon dioxide emission and 7.8 million tonnes of sulfur dioxide in 2020. The agency also announced that the proposal could create approximately 15 million jobs with a combined output from new energy industries to increase by RMB 1.5 trillion each year.

In an aggressive strategy to further industrialise rural and western provinces in China, Beijing plans to invest a total of RMB 682 billion in western projects this year, while also investing RMB 200bn over the next two years to expand and upgrade rural power grid networks. China continues to nurture western provinces into the new growth engines for the economy and reorient its growth from inward catalysts.

Robust semi-annual results from A-share listed companies injected strong investor confidence into the market. Interim results will further support the market as domestic equities are expected to outperform the H-share due to cheaper valuations among blue chips and better earnings and growth potential. While normalised growth for China is expected during the second half of the year, significant liquidity tightening remains an unlikely scenario.

In the near term, the portfolio aims to further accumulate companies benefitting from China's aggressive efforts to push for energy efficiency and advanced technology, and away from mass industrials such as steel, coal and low-valued-added manufacturers. China will continue to improve profitability and competitiveness of various industries and sectors by allowing more M&A activities and industry consolidation. Looking forward, the Fund aims to maintain its current weighting in cement producers as China continues to expand its social housing projects. We also remain positive towards property related companies due to strengthening real demand.

## Country Weighting



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## 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.

Investment Advisor	Hamon Asset Mgmt. Ltd.
Manager	Hamon Ireland Limited
Fund Manager	Nina Wu
Launch date	10/3/2008
Authorisation	SFC and UCITS approved
Bloomberg Code	HAMGRCH ID (USD)/HAMAMLG ID(GBP)
Dealing	Daily
Subscriptions	Daily, before 10AM (Dublin time) on any Dealing Day
Redemptions	Before 10AM (Dublin time) on the second business day prior to any Dealing Day.
Minimum Initial and Additional Investment	US\$1,000/GBP1,000
Base Currency	USD
Share class	US dollar, GBP
Financial Year End	December

### Important Information:

The document is issued by Hamon Investment Group and has not been reviewed by the SFC. The information in this document does not constitute investment, tax, legal or other advice. It is not a recommendation, an offer to sell or invitation to investment. Consult your financial advisor before making any investment decisions. All relevant documents relating to the product, such as reports and accounts and offering documents (which specify the particular risks associated with the product, together with any specific restrictions applying and the basis of dealing) should be read.

Investment involves risk. Past performance is not indicative to future performance. The value of investments and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. 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. Portfolio holdings are subject to change at any time without notice. This information is provided for illustrative purposes only and should not be construed as a recommendation to purchase or sell any security.

Changes in the rates of exchange may affect the value of investments. Certain portfolios can invest in overseas securities which may also generate profits overseas and pay dividends in foreign currencies, which means that they may be exposed to changes in currency rates.