

# Hamon Asian Funds - Hamon Greater China Fund

30 June 2010

Unit Price (USD class)  
US\$9.36

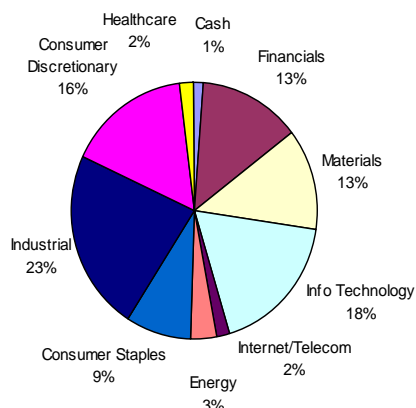
Fund in figures (NAV to NAV, with dividend reinvested)

Cumulative Performance % in US\$

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

	Jun 10	YTD	1 yr	Since Incept. (10 Mar 08)
Hamon Greater China Fund	-3.96%	-19.06%	1.78%	-6.43%
MSCI AC Golden Dragon Net USD	1.16%	-7.66%	12.97%	-10.25%

## 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

- Chinese stocks rallied following currency reform announcements to improve the RMB's flexibility.
- Stocks fell during the final trading days of the month when investors pulled liquidity for new IPO listings.
- Taiwan finalised its ECFA agreement with China, agreeing to lower tariffs and to open their markets for banking and other services.

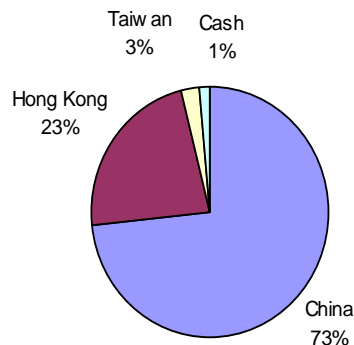
## Fund Review

Chinese equities rebounded in most of June, as large cap stocks rose on the back of the PBOC's currency reforms to improve the RMB's flexibility. However, markets fell during the final trading days of the month, with liquidity being withdrawn from the market for the initial public offering of the Agricultural Bank of China (ABC), the country's fourth largest bank, as well as concerns over a deceleration in China's recovery constrained the A-share market.

China's equity market closed the month as one of the region's worst performers, with the Shanghai and Shenzhen composites dropping 9.0% and 10.4% respectively. The Fund underperformed the index due to an overweight position in small cap stocks, the Fund's exposure to the A/B share markets and underperformers in US-listed Chinese companies.

After buying the world's largest container manufacturer, the Fund also purchased a Chinese container shipping company as demand for global trade remains on track to reach YTD double-digit growth in 2010. Near term upward earnings revisions should provide relevant support for company share prices, given a rapid decline in global idle capacity while robust forward bookings are approaching 2008 highs.

## Country Weighting



While the RMB currency reform is unlikely to create an immediate impact towards the real economy, the political sentiment reduces trade protection risks while reflecting a positive signal from the government towards near-term growth outlook. In the long-run, the RMB re-peg back to a basket of currencies should benefit Chinese equities through translation gains and operational benefits, also creating an encouraging growth catalyst for the equity market.

China announced new parameters to further promote industrial upgrading by removing export tax rebates in energy intensive sectors. The decision reflects the government's determination to eliminate archaic production capacity and migrate to energy conservations and emission reduction. The move is expected to have a limited impact to China's overall export sectors, as the benefits of upgrading China's manufacturing capacities outweighs negative market sentiment.

Taiwan's Central bank surprised the market by raising its interest rates earlier than expected, lifting borrowing costs in an effort to curb rising property prices. The long awaited ECFA agreement with China was reached during the month, as warming cross-strait relations continue to serve as a positive catalyst for both economies in the long term. EU exposure and rising labor costs in China created negative sentiment towards Taiwan's tech sectors, while Taiwanese financial names in the portfolio outperformed.

Given China's promising economic outlook, stable unemployment and rising income levels, the economic growth story remains intact. Rising disposable income within China's massive labor force should translate into rising demand for consumer staples and low to mid range discretionary products. We continue to explore the investment opportunities in retail and consumer related sectors, particularly strong tier two consumer brand names. Liquidity is expected to flow back into the Chinese equity market following the completed listing of the Agricultural Bank of China, improving risk appetite with the stabilising of the European sovereign debt crisis. In the coming weeks, listed companies will release semi-annual results and second half guidance, and market volatility is expected with likely upside surprise.

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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.