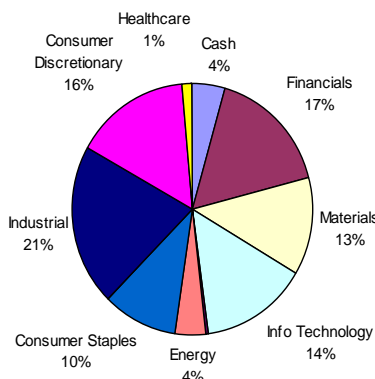


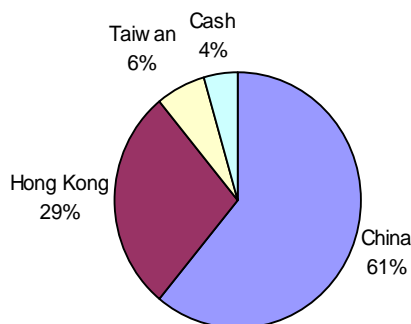
## Hamon Greater China Fund 31 March 2010

Unit Price  
US\$11.25

### 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

	Mar 10	YTD	1 yr	Since Incept. (10 Mar 2008)
Hamon Greater China Fund	4.83%	-2.65%	93.66%	12.55%
MSCI AC Golden Dragon Net USD Index	5.84%	-1.47%	59.51%	-4.24%

#### 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

- Markets are expected to be driven higher on good earnings results.
- The current drought in Southwest China should have minimal impact to national food prices.
- Taiwan unveiled new guidelines to permit Chinese financials to invest into the island.

### Fund Review

The Fund rose 4.8% during the month, slightly underperforming the index, which rose 5.8%. The Chinese market performed less well compared to the region, with the Shanghai and Shenzhen composites up 1.9% and 3.3% respectively. Despite decent earnings growth announcements, the markets were concerned over a possible trade war, the rise of raw material prices and wages and overall inflation due to increases in food prices. However, holdings in the manufacturing, discretionary consumer and tech sectors contributed positively to the performance.

CPI and PPI accelerated 2.7% and 5.4% respectively in February YoY. Aside from the low base effect from last year, the unprecedented drought in Southwest China could pose a minor threat, increasing food prices; however this should create little impact to the overall economy.

Rising labour wages may also challenge inflation in China, however serves as a better indicator of improvements in living standards. In order to offset labour shortages, several coastal provinces are offering higher wages, such as Guangdong which plans to increase minimum wage by 20% as well as boost working conditions and health and wellbeing. Higher wages should translate into greater consumerism, where consumption is one of the Fund's long-term strategic considerations. The Fund has also rotated some of its consumption names into those with more attractive valuations.

With rates left unchanged for over a year, the RMB debate between China and the US has been reignited. Despite external pressure to revalue the RMB, China's government maintains its stance that such a decision will be made according to China's national conditions and level of development. In order to reduce risks, the Fund may avoid export industries facing narrowing margins, while further building exposure to B-shares which benefits from RMB appreciation.

We see share prices moving higher on good earnings announcements. We also favour the software sector, as it continues to be supported by the government spending, as well as increased competitiveness, will translate into long-term sustainable growth.

We look to reduce machinery names, which have already outperformed in the previous quarter on China's economic growth, and focus on companies whose margins remain relatively high and less impacted by a jump in raw material prices. Investment will also focus on rural markets where consumer names are likely beneficiaries of rising income levels; while Chinese banks offer attractive valuations on better earnings and relief from any share placement overhang. We are looking to increase weighting in Taiwan on the back of a strengthening cross-strait relationship between Taiwan and China.