

Hamon Asian Funds - Hamon Greater China Fund

28 May 2010

Unit Price (USD class)
US\$9.74

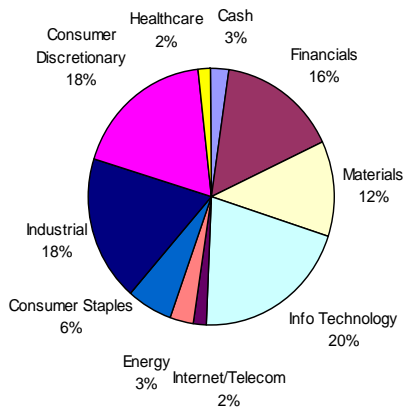
Fund in figures (NAV to NAV, with dividend reinvested)

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

Cumulative Performance % in US\$

	May 10	YTD	1 yr	Since Incept. (10 Mar 08)
Hamon Greater China Fund	-12.43%	-15.72%	8.58%	-2.57%
MSCI AC Golden Dragon Net USD	-7.44%	-8.72%	10.73%	-11.28%

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

- Stringent austerity measures and fiscal uncertainty surrounding the European debt crisis stemmed heavy selling pressure across global markets.
- China's inland provinces continue to rapidly expand, where urbanisation and industrial upgrades provide twin growth engines for the economy.
- Taiwan passed a landmark bill lowering the business income tax to 17% to improve the island's global competitiveness.

Fund Review

Asian markets corrected in May, as the European debt crisis led to weak sentiment amid selling pressure. The Fund's core holdings in small and mid caps corrected while liquidity flowed out from the HK/China markets. The Fund's B shares and Taiwanese exposure contributed negatively to the performance, with the Shanghai B-share Index falling 14.2% while Taiwan fell 10.9%.

Despite the overall market witnessing a heavy sell-off, several individual holdings outperformed. One of the Fund's holdings in a handset baseband chipset developer, rallied more than 50% during the month following better than expected quarterly earnings and optimistic management guidance. Several IT and machinery equipment companies also reported absolute positive returns, all of which demonstrate minimal exposure to policy risks as well as encouraging mid-long term outlooks.

After our recent visit to China's inland provinces, it has become increasingly evident that the economy is in the midst of structural changes, looking to further promote more balanced growth. Lagging coastal cities by almost a decade, rural and inland provinces are rapidly expanding and demonstrating greater growth potential, benefiting from the policy change. Industrialisation in Western provinces has fed into higher domestic income levels while also modernising local commerce developments. We maintain our view on underdeveloped inland provinces becoming the new growth engines for the economy, as the portfolio maintains strong emphasis towards industrial upgrading investment themes and domestic consumption related sectors to deliver long-term returns.

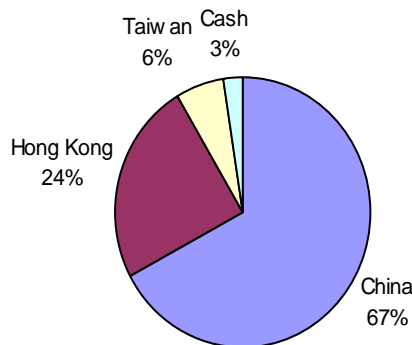
Softening input costs will inevitably lower the risk of margin squeezing for Chinese listed companies and earnings revision for MSCI China remain positive. Concerns regarding the European debt crisis have led to a more cautious view from the Chinese government, while policy makers are supported by sufficient fiscal and monetary policy flexibility to further support growth.

The current market correction appears to have discounted a too formidable response, pricing in a possible worst-case scenario. Despite uncertainties externally as well as internally ahead, China's underlining fundamentals remain intact. China's PMI moderated slightly, however still remains in expansionary territory, reducing the possibility of an overheating economy.

Market sentiment in Taiwan turned bearish given the prospects of weaker EU demand and order cuts from overzealous demands. However, market sentiment is expected to improve during the summer months given favourable policy catalyst for the market. Taiwan and China may sign its ECFA accord before the end of the second quarter benefiting non-tech companies, while the lower corporate income tax helps boost Taiwan's global competitiveness.

The Fund looks to utilise the market correction, building on its holdings in IT, machinery equipment and consumer names. We look to add positions in oversold property, construction and media companies given the attractiveness of China's sustainable growth and the likely rebound during the second half of the year. The greater China markets also look to benefit on key policy drivers, including RMB appreciation and the signing of ECFA on the back of warming cross-strait relations with Taiwan.

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:

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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.