

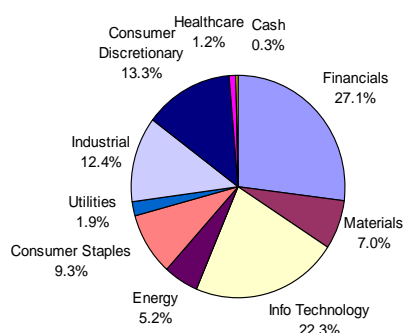
# Selected Asian Portfolio

## 31 December 2009

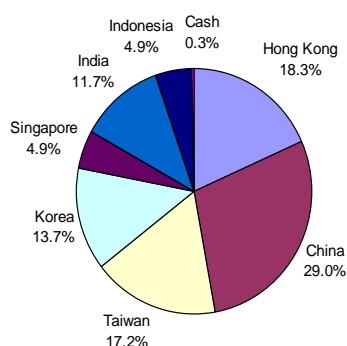
★★★  
Morningstar Rating™  
Source of Star Rating: Morningstar HK

Unit Price  
US\$52.76

### Sector Weighting



### Country Weighting



### Fund Details

The investment objective of the Selected Asia Portfolio is to achieve capital appreciation by investing in the shares of regional Asian companies. The Fund invests its assets in Asia.

Launch date	22/11/1989
Authorisation	SFC
Bloomberg Code	HAMSAPI HK
Dealing	Every Wednesday
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

	Dec 09	YTD	3 yr	5 yr
<b>Selected Asian Portfolio</b>	<b>3.35%</b>	<b>90.43%</b>	<b>30.38%</b>	<b>112.19%</b>
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	4.45%	68.88%	13.96%	82.16%

1. The Fund has changed its index from MSCI AC FE Free ex-Japan to MSCI Daily TR AC FE ex-Japan Net with effect from 1 January 2007.

### Calendar Year Performance % in US\$

	2009	2008	2007	2006	2005
<b>Selected Asian Portfolio</b>	<b>90.43%</b>	<b>-58.84%</b>	<b>66.35%</b>	<b>36.27%</b>	<b>19.43%</b>
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	68.88%	-50.56%	36.49%	31.74%	21.33%

### Highlights

- Strong rallies in Korea and Taiwan were the highlight of the Asian equity markets in December.
- Policy risks will be a key determinant of market behavior for China/HK.
- China's push for a future's index bodes well for financial players.

### Fund Review

Asian equity markets closed higher in December, driven by strong rallies in Korea and Taiwan, while the China/HK markets experienced a mild correction. Although the Fund's 3.4% performance was slightly below the index's return, the Fund performed well in 2009, rising 90.4% to significantly outperform the benchmark. Tech sectors outperformed, following strong holiday sales and on an over-demand, under-supply imbalance, while Chinese property names fell due to concerns of potential government tightening.

As Central governments look to combat the threat of asset inflation, investors will closely monitor policy changes which will be the key influence of market behavior for China/HK equities in the new year. However, the financial sector should be less impacted by policy risks, as sector reforms, including China's efforts to introduce a future index, should benefit Chinese brokerage houses.

Strong tech sales are expected to flow into 1Q10, which drove the performance in the Taiwanese market. LCD companies were the top performers in tech, as an increase in ASP, tight supply, and stronger order books from Chinese demand rallied the current share price.

In Korea, recovering export sectors continued to stimulate the market's performance. A recovery in the US and growing demand from Mainland China favor several export sectors, most notably machinery, auto and tech.

The Indian BSE gained 3.2% in December as market volumes were relatively light before the new year. With the macro economy continuing to see moderate improvements, the Finance Minister had indicated that GDP could expand beyond 8% growth in 2010.

With Asian markets looking to start 2010 building on the strong performance in 2009, equity markets will continue to offer strategic opportunities for investors. Better industrial production figures reflect stable economic growth, as the much anticipated Chinese New Year holiday is expected to generate better than expected sales figures.

### Market Review

#### CHINA/HK

China's manufacturing index grew at its fastest pace in five years in December, expanding to 56.1. Hong Kong exports increased by 1.3% in November, rising for the first time in more than a year.

#### INDIA

India announced plans to launch a second direct terrestrial communications link with China, helping to boost bilateral trade between the world's two fastest-growing emerging countries.

#### KOREA

Korea's December exports increased the most in 17-months driven by a spurring recovery in the US and growing demand in China. The Kospi was up 8.3% this month.

#### TAIWAN

The market rose 8.7% in December, with Taiwan and China formally signed three agreements at the end of December. This marks the completion of the fourth round of cross-strait talks that resumed after President Ma took office.