

Selected Asian Portfolio

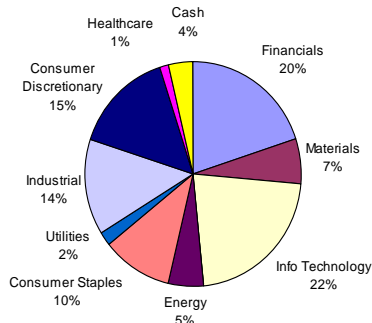
29 January 2010



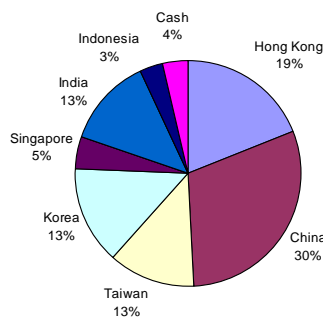
Morningstar Rating™
Source of Star Rating: Morningstar HK

Unit Price
US\$50.00

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

	Jan 10	1 yr	3 yr	5 yr
Selected Asian Portfolio	-5.22%	89.96%	21.28%	94.41%
MSCI Daily TR AC FE ex-Japan ¹	-6.13%	68.30%	8.70%	69.61%

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
Selected Asian Portfolio	90.43%	-58.84%	66.35%	36.27%	19.43%
MSCI Daily TR AC FE ex-Japan ¹	68.88%	-50.56%	36.49%	31.74%	21.33%

Highlights

- Central governments began adjusting monetary policies to combat inflationary concerns as the economic recovery solidifies.
- China's '09 GDP growth exceeded its forecasts from a year earlier.
- The market correction creates an ideal opportunity for the Fund to build further exposure towards long-term investment themes.

Fund Review

The Fund fell 5.2% in January, outperforming the benchmark. Banking, tech and property sectors dragged the overall performance of the Fund, while shipping, trading and retails were positive contributors. Asian stocks saw profit taking during the month, as signs of a global recovery led Central banks to tighten monetary policies. In China, the government took initial initiatives to draw excess market liquidity while The Reserve Bank of India also raised its reserve requirement ratio by 75 basis points.

Normalization of China's liquidity came earlier than expected, following positive signals of macro data, with the Shanghai and Shenzhen composite indices dropping 8.8% and 6.7% respectively in January. While short-term volatility is expected, China's monetary adjustments fall inline with the long-term interests of the economy to achieve sustainable growth.

The Taiwan index dropped during the month, albeit strengthening relations with China and improvements in global trade. Export orders grew at a record pace of 52.63% in December, as data showed better consumer spending in the US despite the high jobless rate.

Despite positive earnings results from the fourth quarter and bright guidance for the first quarter of 2010, the Korean market fell in January. Military tensions between North and South Korea at the month's end also pushed the index down.

The BSE Sensex index corrected following the Reserve Bank of India's decision to soak excess market liquidity, although interest rates will remain unchanged. The Indian markets awaits the upcoming Union Budget of India in February, with sentiment expecting reforms to keep taxes tame in order to avoid thwarting the ongoing recovery.

With Central banks unlikely to implement policies that disrupt the recovery process, the Fund views the monetary tightening as healthy correction to stabilize long-term growth throughout Asian markets. The Fund plans to take advantage of market correction to further build on continuing investment themes such as mass consumption and industrialization, while also increasing weight in tech sectors.

Market Review

CHINA/HK

China's fourth quarter GDP expanded 10.7%, pushing 2009 growth to 8.7% for the year. The country's PMI hit 55.8 in January, expanding above the 50 level for the 11th consecutive month.

INDIA

India fell 5.6% in January, with the Reserve Bank of India raising its cash reserve ratio requirements by 75 basis points to 5.75% in an effort to reduce excess liquidity, although interest rates remained unchanged.

KOREA

January CPI rose 0.4% m/m building sequential improvements, although the government may escalate pressure on the Central bank to hold off on raising the benchmark interest rate as fourth quarter figures were lower than expected.

TAIWAN

Taiwan tourism revenue and foreign visitors reached a new high in 2009, due to increased visitors from China on cross-strait improvements. 4Q09 earnings were released, and met market expectations. The index dropped 6.6%.