

Selected Asian Portfolio

30 June 2010



Morningstar Rating™

Source of Star Rating: Morningstar HK

Unit Price
US\$45.76

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

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

Cumulative Performance % in US\$

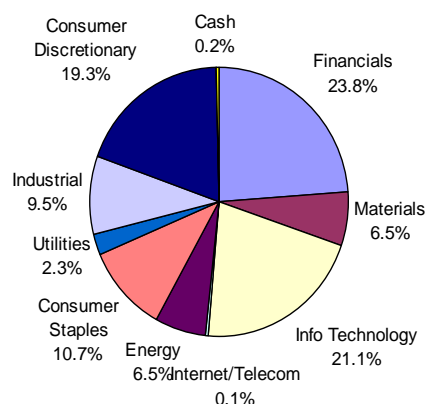
	Jun 10	YTD	1 yr	3 yr	5 yr
Selected Asian Portfolio	-1.32%	-13.26%	4.05%	-13.31%	72.02%
MSCI Daily TR AC FE ex-Japan ¹	1.36%	-4.47%	20.92%	-7.00%	65.10%

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.

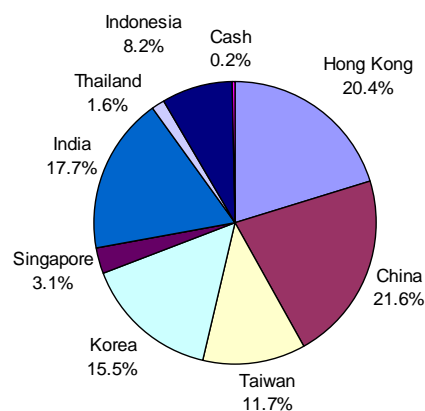
Calendar Year Performance % in US\$

	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%

Sector Weighting



Country Weighting



Highlights

- **Regional equities encounter heavy selling pressure over global uncertainty in the EU and US, but saw recovery at the end of the month.**
- **RMB reform reflected government's positive stance on the economy and will benefit domestic equities in the long term.**

Fund Review

The sovereign debt crisis in Europe and mixed economic sentiment from the US created excess headwinds for regional equities. Markets performed in a range bound market, as the Fund closed the month down 1.3%. Tech companies in Taiwan and Korea drove the underperformance, while US-listed Chinese companies and commodity names were also sluggish.

China's announcement to improve the RMB's flexibility was well received by global investors, however, will unlikely create an immediate ostensible impact to the real economy. Beijing's currency reforms provide a catalyst for Chinese equities through translation gains and operational benefits, particularly companies generating revenues in RMB and costs in USD. China also removed an export tax rebate for energy intensive sectors, upgrading manufacturing capacity to higher value added industries.

The Taiwanese index was flat in June, while the tech sector suffered from rising labour costs in Chinese and EU exposure. The island's Central bank surprised markets by raising interest rates earlier than expected. Taiwan also finalized its ECFA accord with China to improve cross-strait relations.

India's central bank raised its borrowing costs at the end of June, rallying the market on a positive macroeconomic assessment. In an effort to reduce the country's budget deficit, India also deregulated petroleum prices from its subsidy regime.

Strong performance in semiconductors and online shopping names were reduced as a source of funding, while shipping exposure was increased on better sector clarity and balance sheet strength. The Fund added a HK retailer after new restructuring measures to better capture mainland business, while the Fund's exposure to HK property increased following a sector correction. Thai stocks were added on an individual basis.

Robust domestic markets continue to support the Asian economic growth story, where a slowdown in Europe has yet to impede the long-term outlook. Global leaders continue to harmonize policy reforms to ensure sustainable recovery, while company earnings announcements and second half guidance provides a growth catalyst for the market.

Market Review

CHINA/HK

Chinese equity markets underperformed the region, with the Shanghai composite falling 6.8%. The A-share market was constrained due to liquidity being withdrawn from the market for the IPO of the Agricultural Bank of China, as well as over concerns of a deceleration in China's recovery.

INDIA

Robust consumption rallied optimism towards better than expected growth during the second half of the year. India's market closed 4.3% higher.

KOREA

The Kospi rose 2.1% on positive market sentiment following the government's upward revision to GDP growth. S.Korea and the US agreed to reach a new free trade agreement before the next G20 meeting in Seoul later this year.

TAIWAN

Taiwan's Central bank surprised the market by raising its interest rates, lifting the borrowing costs to curb rising property prices. The 'Early Harvest List' of the ECFA agreement includes 539 industrial products from Taiwan, which will benefit from the removal of trade tariffs.

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Fund Details

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

Manager	Hamon Asset Mgmt. Ltd.
Fund Manager	Hugh Simon, Bernard To
Launch date	22/11/1989
Authorisation	SFC approved
Bloomberg Code	HAMSAPI HK
Dealing	Every Wednesday
Subscriptions	Before 4pm (Hong Kong time) on the relevant Dealing Day
Redemptions	Before 4pm (Hong Kong time) on the relevant Dealing Day
Minimum Initial Investment	US\$5,000
Base Currency	USD
Share class	US dollar
Financial Year End	September

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.