

Selected Asian Portfolio

31 May 2010



Morningstar Rating™
Source of Star Rating: Morningstar HK

Unit Price
US\$46.37

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

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

Cumulative Performance % in US\$

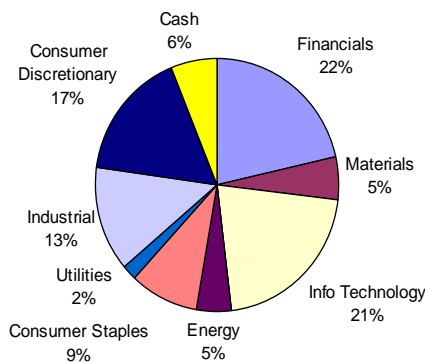
	May 10	YTD	1 yr	3 yr	5 yr
Selected Asian Portfolio	-11.11%	-12.11%	5.72%	-7.23%	77.68%
MSCI Daily TR AC FE ex-Japan ¹	-8.44%	-5.76%	18.98%	-3.22%	66.61%

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.

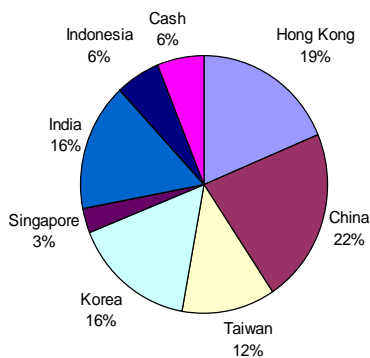
Calendar Year Performance % in US\$

	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%

Sector Weighting



Country Weighting



Highlights

- **Doubts over the stability of a global recovery pulled Asian markets down.**
- **Economic indicators are signaling that the underlying fundamentals remain intact, while favourable policies will continue to support growth.**

Fund Review

Asian markets corrected in May, drawing concerns as strict austerity measures in Europe would possibly derail the economic recovery. The Fund underperformed the index during the month, falling 11.1% on heavy corrections in US-solar energy companies, small and mid cap stocks in the region, and commodities. Rising government deficits in developed markets also dragged down the performance of shipping related companies, while the Fund's holdings in China's B shares also dropped.

China's stock markets ended the month lower, as the Shanghai B share index fell 14.2%. Global uncertainties created strong headwinds for Chinese equities as capital outflows led to the precipitous drop. However, given evident stability supporting the market's fundamentals, the correction appears to have discounted a possible worst-case scenario prematurely. With favourable policies supporting long-term growth and the emerges of second and third tier cities, the sustainability of China's economy remains in tact, and will continue to expand despite the volatility.

Strong economic data and corporate announcements were unable to spur a market rally in India. Infrastructure and urbanisation continue to be important drivers for the economy and the Fund's exposure in India are equipped to capture this long-term trend.

Taiwan and Korea markets each closed lower, as tech sectors saw profit taking following orders cut on a weaker global outlook. Tech is expected to improve along with the restocking for the peak season. Improving political relations remain key drivers for the each nation, with Taiwan aiming to reach an imminent ECFA accord with China while Korea assuaged war tensions from the North.

With the market having exaggerated global pessimism, the Fund plans to take advantage of the market correction for investment opportunities. Doubts over the European debt crisis will continue to create strong headwinds for the market, as we also plan to consolidate our holdings into companies demonstrating attractive valuations.

Market Review

China/HK

China's FDI expanded for the 9th consecutive month. The Chinese government has issued new policies for land use and tax breaks in hopes to attract greater foreign investments into renewable energy, high technology and services industries, particularly to rural China.

India

India's 1Q10 GDP was better than expected, as the economy expanded 8.6% YoY. State meteorologists also remain optimistic about the upcoming monsoon rains to help quell prices and food inflation. India's BSE Sensex fell 8.1%, as a better than expected first quarter GDP reading was unable to rally investors.

KOREA

Overseas shipments rose 41.9% in May, expanding for the 7th consecutive month, as international demand for Korean made products strengthened. The Korean Kospi dipped, falling 15.1% over tension with North Korea.

TAIWAN

Taiwan passed a landmark bill lowering the business income tax to 17%, delivering another victory towards boosting the island's global competitiveness. The Taiex fell 10.9%.

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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.