

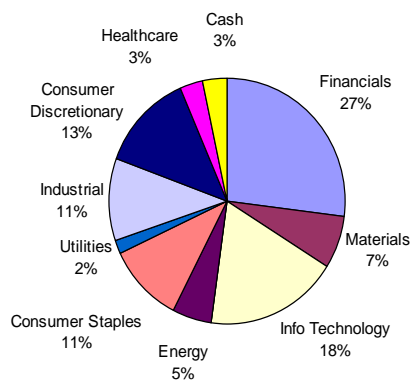
# Selected Asian Portfolio

## 30 November 2009

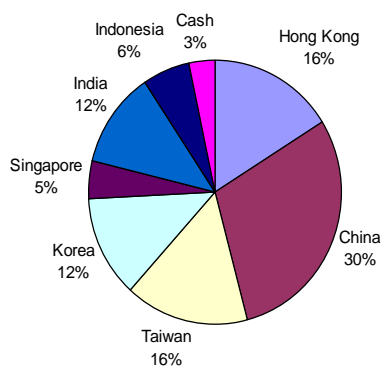
★★★  
Morningstar Rating™  
Source of Star Rating: Morningstar HK

Unit Price  
US\$51.05

### 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

	Nov 09	YTD	1 yr	3 yr	5 yr
Selected Asian Portfolio	4.35%	84.25%	106.67%	38.58%	113.09%
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	2.01%	61.68%	78.03%	13.93%	79.13%

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\$

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

### Highlights

- President Obama's first official trip to Asia focused attention on the region.
- Asian markets were strong in Nov. despite fears of Dubai's debt restructuring.
- China/Taiwan signed their MOU, which served as a catalyst for Taiwanese financial sector rally.
- Chinese B-shares outperformed on the back of RMB appreciation expectations.

### Fund Review

The Asian markets rallied following October's consolidation. Although the markets experienced short-lived volatility after Dubai announced plans to delay debt repayments, the markets rebounded as investors saw limited exposure by Asian lenders. The Fund outperformed the index by over 2%, driven by a steady rebound in India, along with Chinese B-shares and infrastructure names also serving as key drivers.

President Obama's first official trip to China re-emphasized the importance of the US-Sino relationship to expedite the global economy, with greater focus towards environmental protection. Before the Copenhagen Conference in December, China had already announced plans to cut emission levels to 40% - 45% of its 2005 GDP in ten years, which served well for related clean energy stocks during the month.

In Hong Kong, mounting concerns over rising real estate price led to the underperformance of property names. Without concrete measures taken by the government to address supply-side issues, along with the possibility of the RMB appreciation, HK property will remain supported by mainland investors.

In Taiwan, the MOU with China was finally agreed to, reinforcing the Fund's view that a closer relationship with the mainland will lift Taiwanese financials and property sectors. Tech sectors in Korea were relatively flat as investors usually remain on the sidelines during the seasonally low fourth quarter. The better than expected launch of Window 7 will likely lift related sectors while strengthening the 2010 outlook on stronger demand.

Strengthening domestic consumption and rebounds in exports continue to bode well for the China/HK market. The Fund has recently added a consumption name displaying both decent valuations and growth potential, while also building exposure towards infrastructure names, including the railway sector. We expect strong corporate earnings growth to perform better, as the market will return to the mean from distressed levels, which the market has already seen since the second quarter of this year.

### Market Review

#### CHINA/HK

China PMI maintained an 18 month-high while October retail sales and industrial production improved. B-shares market performed well, on the back of RMB appreciation expectations, with the Shanghai and Shenzhen B-share index rising 19.3% and 14.1% respectively.

#### INDIA

India's GDP expanded 7.9% YoY in 3Q. Manufacturing and mining sectors which continue to benefit from government spending, led growth and helped industrial production rise 9.1% in September. The BSE Sensex jumped 7.4% in November.

#### KOREA

The Korean Kospi began strong until a late month correction pulled the index down, with the market ending the month up 0.3%. Department store sales hit a 14-month high while unemployment continues to fall.

#### TAIWAN

The MOU with China was signed, as Taiwan now looks to the ECPA to further strengthen cross-strait relations. Growing demand from China will continue to help Taiwan, where export orders rose for the first time in 13 months to 4.41%.