

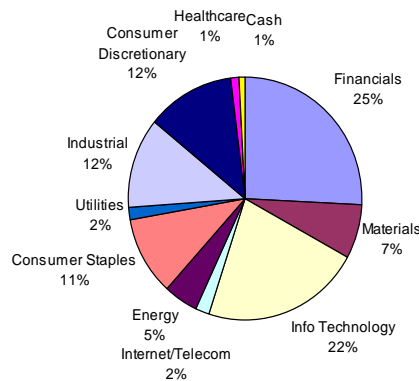
## Selected Asian Portfolio

30 October 2009

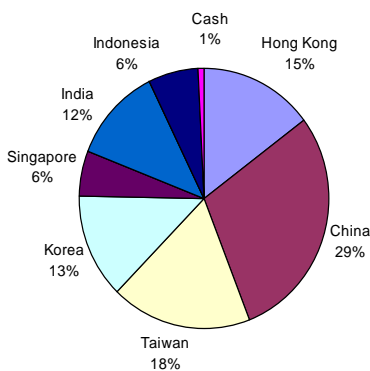
★★★  
Morningstar Rating™  
Source of Star Rating: Morningstar HK

Unit Price  
US\$48.92

### 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

	Oct 09	YTD	1 yr	3 yr	5 yr
<b>Selected Asian Portfolio</b>	<b>-4.99%</b>	<b>76.57%</b>	<b>97.14%</b>	<b>43.94%</b>	<b>120.77%</b>
MSCI Daily TR AC FE ex-Japan <sup>1</sup>	-0.10%	58.49%	65.05%	20.56%	90.70%

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
<b>Selected Asian Portfolio</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>	-50.56%	36.49%	31.74%	21.33%

### Highlights

- Asian markets rallied for most of the month until concerns regarding the withdrawal of government programs led to profit taking.
- Export figures continue to reflect steady improvements in Asia.
- Improvements in corporate earnings signal better expenditure forecasts.

### Fund Review

Positive macroeconomic data and better than expected earnings growth drove Asian markets throughout October until profit taking followed, over concerns of monetary tightening. The Fund fell 5.0% during the month, underperforming the index due to interest sensitive names in India, Taiwanese and Korean tech holdings and commodity names in Indonesia, while exposure in Chinese property names helped the performance.

China's economy expanded 8.9% (yoy) in September, while retail sales rose for the fourth consecutive month. Along with Chinese property names which rallied after correcting in the previous month, Chinese banks outperformed on better third quarter earnings and net interest margin recovery.

The Taiwanese market corrected due to concerns of monetary tightening throughout Asia, and the delay of the MOU led to financials in the Fund to fall. However, outlook remains positive from improving relations with China.

Sentiment towards a possible interest rate hike pulled the Kospi down, while earning results were better than expected. The launch of Windows 7 serves as a positive catalyst for both export and tech names, benefiting related sectors in the Fund, including DRAM and touch panels.

India's Central bank increased its statutory liquidity ratio to 25% from 24% to manage rising inflation expectations. The government maintains growth expectations at 6% and the Fund's domestic holdings are expected to rally in the long term.

The Fund remains positive towards several sectors, including the long-term potential of the "green economy" and has further increased positions in new energy. An imminent economic recovery in China should also create investment opportunities in several domestic-driven sectors, such as internet and media advertisement names, on the back of strengthening consumption. Improving cross-strait relations serves as a positive driver for Taiwan. The release of Windows 7 forecasts future CAPEX expenditure for IT systems upgrades, helping related sectors.

### Market Review

#### CHINA/HK

The Chinese market performed well in October, with the Shanghai and Shenzhen composites rising 7.77% and 11.01% respectively. China's GDP expanded 8.9% during 3Q, its fastest pace of the year. China's PMI expanded at its fastest pace in 18 months.

#### INDIA

The BSE Sensex dropped 4.93% while industrial production grew for the seventh consecutive month, hitting double digit expansion for the first time in almost two years. Government proposed a 5% stake sale in Indian largest power utility company which will relieve concern over the budget deficit and boost spending.

#### KOREA

The Kospi fell 6.55% in October while the consumer confidence index hit a seven-year high 117. Export orders fell at its slowest pace in almost a year.

#### TAIWAN

The Taiex was down 3.38%, while export trade and export orders fell at its slowest rate in almost a year due to rising demand from China.