HONG INVESTMENT ADVISORS

Fund Characteristics

- Specializes in Asian financial markets; FX and interest rate products
- Focuses on HKD, SGD, KRW, TWD, CNY/CNH, IDR, THB, PHP, INR, MYR, AUD, NZD, EUR, JPY and USD
- Seeks to exploit and capitalize on local Asian structural inefficiencies
- Locally connected with "on-the-ground" knowledge provides us with an edge, broadening trading opportunities and enhancing returns

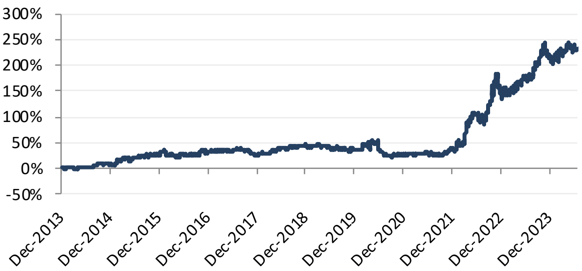
Manager Profile

- CIO: LIU Shun Hong
- Shun Hong has been running Asian FX & Rates fund since 2007
- Very low correlation with Asian equity and credit markets
- Pure-alpha generation
- Core competencies include:
  - Disciplined and consistent research-driven analysis
  - Thorough understanding of the capital controls across the region
  - Established team with extensive regional networks

Fund Statistics *

Inception Date	2-Dec-13
Firm AUM	57.5M
Fund AUM	38.8M
Return MTD	0.06%
Return FYTD^	5.74%
Return ITD	236.60%
Annualised Return	12.15%
Annualised Volatility	13.92%
Sharpe Ratio	0.87
Correlation with MSCI AC Asia Pacific (USD	-9.91%
Correlation with S&P 500 Index	-1.72%

HCM Rapier Fund Class A Net Return *



Net Monthly Returns *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD*
2013												0.13%	0.13%
2014	1.09%	-0.03%	-2.21%	1.27%	1.67%	-0.74%	2.40%	2.19%	3.02%	0.24%	-2.28%	-0.92%	5.67%
2015	7.43%	1.25%	5.37%	-5.13%	3.39%	2.36%	1.85%	0.00%	2.21%	-0.23%	0.60%	4.82%	26.02%
2016	-5.26%	0.16%	-2.01%	-0.81%	4.86%	-3.10%	1.38%	2.23%	-1.19%	4.96%	-2.98%	2.49%	0.18%
2017	0.68%	-1.60%	1.58%	-0.31%	-0.76%	3.15%	-0.50%	-1.31%	0.04%	-6.23%	-0.40%	1.85%	-4.03%
2018	-0.06%	0.84%	3.09%	1.98%	1.81%	0.17%	0.52%	0.97%	-0.12%	1.70%	1.70%	-2.36%	10.63%
2019	-0.16%	1.16%	-1.22%	0.76%	-1.87%	-2.92%	4.05%	-3.92%	1.02%	-3.78%	3.75%	0.21%	-3.24%
2020	0.85%	6.11%	-6.18%	6.55%	1.95%	-11.87%	-5.66%	-0.33%	1.39%	2.23%	-2.06%	0.68%	-7.63%
2021	0.73%	-1.63%	1.77%	1.00%	-1.19%	0.73%	-2.02%	-1.18%	3.51%	1.04%	2.85%	2.49%	8.22%
2022	4.38%	3.40%	21.66%	12.08%	0.53%	-7.24%	0.61%	12.27%	17.06%	11.99%	-8.26%	0.23%	86.87%
2023	-3.27%	-0.06%	5.88%	0.41%	4.74%	-1.55%	2.66%	7.12%	8.18%	4.62%	-5.85%	-3.45%	19.90%
2024	3.28%	2.99%	-0.91%	5.72%	-1.77%	0.06%							9.52%

Fund Details

Investment Geography	Asia Pacific ex-Japan	Subscription Frequency	Monthly	
Domicile	Cayman Island Master – Feeder Fund Structure	Minimum Investment	USD $ 100,000	
High Water Mark	Yes	Redemption Frequency	Monthly	
Prime Broker	Deutsche Bank	Redemption Notification	30 Days	
Auditor	Pricewaterhouse Coppers	Redemption Levy	3% first year	
Administrator	IFS State Street	Fee Structure	Management fee	1.5%
Legal Counsell	Deacons – HK counsel		Performance	15%
	Campbells – Cayman Islands	ISIN (C Shares)	KYG4365U1159	

Contact Details

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* Net return for Class A. Month-end return is the official figure calculated by IFS State Street, while net daily return is internal estimate. Class A has 0% performance fee and 0% management fee. Class C has 1.5% management fees, 15% performance fees.
* The financial year of the Fund ends on 30 November of each year.

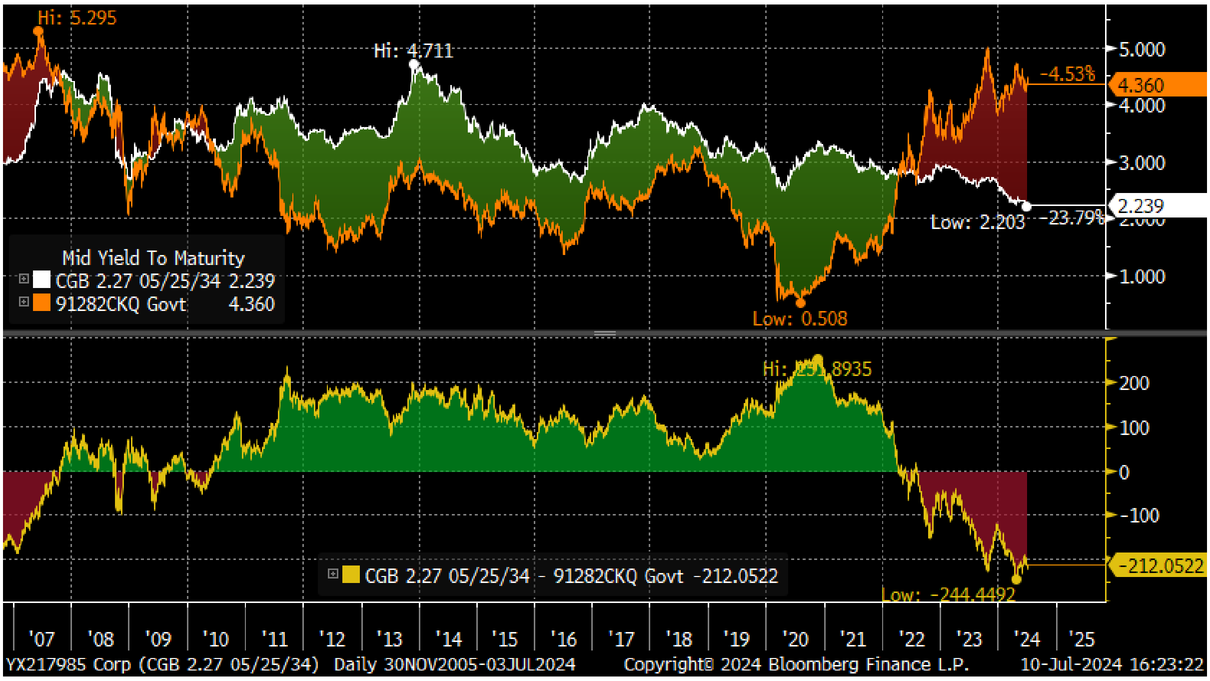
HONG INVESTMENT ADVISORS

Monthly Review:

The election results in June confirmed the rise of the right-winged parties in the West. With Joe Biden's disastrous debate with Donald Trump, it is becoming clear that the West is shifting to the right. However, one can argue that it is to the extremes as it seems that centrists do not have markets and the far-left parties are also picking up votes but not as much as the right. With this backdrop, we believe that the West will continue to push against China with tariffs and trade barriers. With Trump likely to win the US Presidential election in November, the Russo-Ukrainian war seems to swing in Russia's favour which is going to haunt the Europeans as Trump cannot stop bragging about his plan without detail that he can stop the war before his inauguration as the new US President if he is going to become one. At the time of writing, it seems that many Democrats feel reluctant to replace Biden, which may come back to haunt them not just for the Presidential election but also for the Senate and the House, and the chance of having another Republican sweep in November is being priced into the bond market in early July, which is favourable to our interest rate trading as investors start to wake up to the fact that Trump is likely to undermine the power of the Federal Reserves while he will continue to be the 'King of Debt'. I continue to believe that the long end of the developed government bond market is a must-short as both extreme right and left favour more fiscal deficits.

The S&P 500 gained 3.7%, Nasdaq was +6.18 %, Hang Seng -2.00%, KOSPI +7.21%, Nikkei +2.85%, CSI 300 -3.3%, FTSE 100 -1.34%, DAX -1.42%. For reference purposes, the HFRX Macro / CTA Index was -0.70% and the HFRX Currency Index was -0.99%. The fund gained 0.06% in June. We made 0.58% from trading FX, made 0.20% from rates and lost 0.72% from others.

The buyers used to be the Asian central banks, but most central banks are busy selling USD. One country that clearly suffers from excessive savings is China as the 10-year China government bond yield has been hitting historical lows.
Yields of 10 Year China Government Bond, US Treasury and their spread



Meanwhile, it seems that economic figures have started to roll over globally. I must admit that I continue to be a fan of stagflation in the West and aggressive fiscal policies have supported the growth in developed markets so weak real economic growth is not going to be a surprise. On the other hand, nominal growth can be quite high like what we described in our May month-end report with sticky inflation. When will the market wake up to the fact that a slowdown in the economy may not mean inflation hitting the target?

On the other hand, China is slowly depreciating the yuan against the USD but they have continued their intervention in the FX market. In our hometown, we all know that the China government heavily scrutinizes any outflow so as of now China Yuan is still steady on a trade-weighted basis. However, China economic figures and equity indices start to turn weaker in June again and many local analysts start to call for further easing. I still believe that quantitative easing should be the way out of real estate bubble burst. Despite the fact that there has not been serious easing of the monetary policy in China, the carry is still very favourable to us.