



HIGHLIGHTS

The Silk Road Index is set to become a global benchmark that tracks the share performance of the 30 largest publicly listed companies with assets and operations in Mongolia

Richard Harris presented the newly launched and actively managed Silkroad Mongolia Fund by Quam Asset Management. The key investments of the fund will be securities that are exposed to Mongolia and will focus on an absolute return. The fund furthermore seeks to capitalize on exposure to the Mongolia tögrög which was the best performing currency vs. the U.S. Dollar in 2010.

The major investment themes will be structured around three themes: natural resources, growth of a Nation and MNT appreciation.

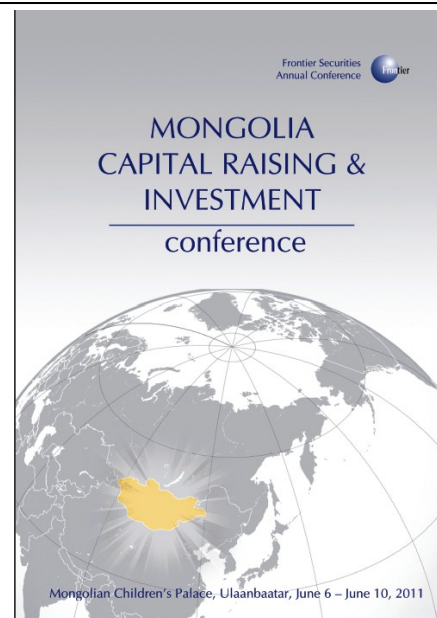
The fund seeks to invest mostly in foreign listed companies with exposure to Mongolia and 43% of the fund will be allocated to Ivanhoe mines. Other companies listed on the New York, Hong Kong, Taiwan and London stock exchanges will be included but a small portion will also be put to work in the MSE. The fund will draw upon local knowledge through its existing relations and use portfolio construction tools and some selective hedging to manage risks.

Mr. Harris explained how Quamgroup is listed and has been operating in Hong Kong for 25 years. He elaborated on how to actually manage a fund in practice.

According to Mr. Harris the three elements of stock investing are fundamentals, valuation and liquidity. Although valuation is difficult it is the base for the key investment decisions. For Mongolia you cannot always rely on research reports, local market news and knowledge is key. Liquidity in Mongolia itself is virtually non existing but foreign listed companies account for around 30 Billion USD of market cap.

A lot of fund management, according to Mr. Harris, is down to inspiration. Things have to be structured but once in a while you need to take a calculated and risk controlled bet. This is achieved through portfolio construction and asset allocation methods.

The fund will invest in listed stocks only that have virtually 100% exposure to Mongolia to provide an easy way to get exposure to the country. In the beginning the fund will be a mainly invested in mining but later the fund tries to make sure it also gets exposure to sectors outside of mining. The three major themes Mr. Harris sees are resources, growth of the nation and MNT appreciation.



MONGOLIA EXPERTS AT FRONTIER SECURITIES ANNUAL CONFERENCE:

Australian Securities Exchange
Bank of Mongolia
BOC International
CICC
CRU China
Deutsche Borse AG
Development Bank of Japan
EBRD
Erdenes MGL LLC
Hong Kong Exchange & Clearing Ltd
International Finance Corporation
J.P. Morgan
Korea Exchange
London Stock Exchange
Mineral Resources & Energy Ministry
Mongolian Bankers Association
Moody's Investors Service
MSE Mongolian Stock Exchange
National Development and Innovation Committee
Parliament of Mongolia
State Property Committee
TDB and TDB Capital

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ABOUT MR. RICHARD HARRIS

Richard Harris is Chief Executive of Quam Asset Management. He is a veteran of the investment markets, with over 33 years of experience and 41 years in Asia. He has also lived in Africa, Europe and the US.

Richard was Chief Executive of Jardine Fleming's Private Bank in Hong Kong in the mid 1990s, prior to which he managed active, research based institutional pension, derivative and mutual funds worth over US\$1 billion for Jardine Fleming. He also spent 15 years as an Investment Director in private banking for Citi and Newton Mellon among others. He is an investment business building specialist. Richard was involved in investing in former Soviet States such as the Czech Republic and Hungary in the 1990s and saw the dramatic opportunities of these markets as they developed. The Quam Silkroad MONGOLIA Fund is a reflection of that interest and expertise.



ABOUT MONGOLIA EXPERT SERIES

This year's conference, titled "Mongolia: Capital Raising and Investment" was the fifth edition of its kind to be organized by Frontier Securities. Having grown year on year in terms of importance since 2007, this conference has become a major event for anyone interested in exploring the latest developments in Mongolia's business environment from key direct sources. The focus of this last edition, held in the context of a robustly growing economy and booming mineral exports, encompassed the dynamics of capital raising from the viewpoint of the Mongolian government and local private sector by way of privatization and/or bond issue. It further provided the global investors community (266 Mongolian and foreign entities covering 19 countries were represented) with some relevant and up-to-date insights about the numerous opportunities offered by a wide array of sectors in the country, the most prominent of which being the mining sector.

The conference has gathered more than 500 prominent industry leaders and government officials from organizations such as Foreign Investment and Foreign Trade Agency, State Property Commission, Ministry of Road and Transportation, MonAtom, Erdenes MGL, Mongol Bank, Government of Mongolia, Ministry of Mineral Resources and Energy, Mongolia Development Bank, National Development and Innovation Committee, TDB Mongolia, Prophecy Resource Corp, Mongolian Mining Corporation, South Gobi Energy Resource as well as various professionals from international financial markets, including; Citigroup, J.P. Morgan, CICC, BOC International, Ipreo, Moody's Investors Service, Hogan Lovells, Jones Day, Minter Ellison, Quam Asset Management, American Appraisal, BMI Technical Consulting (Resources) Ltd, etc. In addition, senior managers from MSE Mongolian Stock Exchange, Hong Kong Stock Exchange, Korea Exchange, London Stock Exchange, and Tokyo Stock Exchange have featured in our conference and shared their knowledge and insights regarding IPO and capital raising with broad audience of our conference.

Mongolia Expert Series is one of the in-house research report of Frontier Securities which utilizes the information collected during the Frontier Securities' Annual Conference. We hope the series will provide genuine insight into Mongolian investment environment, as well as various capital raising opportunities present for Mongolian companies.

