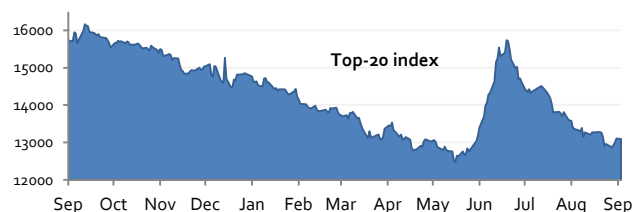


September 7th, 2015

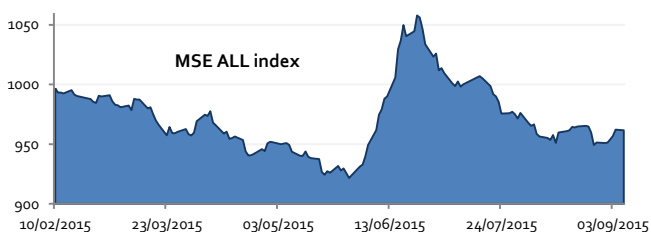
Mongolia Investors Cockpit

Monthly Report

MSE TOP 20 Index, 13,092.24.28 -16.77% YOY



MSE ALL Index, 961.62 -3.54% since 10th Feb 2015



MSE Top 20 Stocks (Monthly performance)

Company name	Opinion	7-Sep	%
Material Impex (MIE)	Buy	12,400	-17%
Ulaanbaatar BUK JSC (BUK)	Hold	30,000	-14%
Shariin Gol JSC (SHG)	Buy	5,000	-7%
Gobi JSC (GOV)	Buy	8,600	-4%
Hermes Center (HRM)	Buy	139	-3%
State Department Store JSC (UID)	Hold	480.00	-3%
APU JSC (APU)	Hold	3,500	-2%
Telecom Mongolia JSC (MCH)	Hold	980	-2%
Shivee Ovoo JSC (SHV)	Hold	4,950	-1%
Mongolia Development Resources (MDR)	Hold	445	-1%
Makh Impex (MMX)	Hold	3,100	+0%
Bayangol ZB JSC (BNG)	Hold	49,000	+0%
Baganuur JSC (BAN)	Buy	2,650	+2%
BDSec JSC (BDS)	Hold	1,750	+3%
Darkhan Nekhii (NEH)	Buy	18,450	+3%
Tavantolgoi JSC (TTL)	Hold	3,449	+5%
Khukh Gan JSC (HGN)	Hold	86	+5%
Genco Tour Bureau JSC (JTB)	Hold	89.07	+7%
Talkh Chikher JSC (TCK)	Hold	19,780	+16%
Remicon JSC (RMC)	Hold	83.00	+35%

Source: MSE

Mongolia in the global context

Index	YOY perf	YTD perf
DJIA (US)	-3.75%	-8.07%
Nikkei 225 (JP)	+15.88%	+3.29%
Hang Seng (HK)	-15.79%	-10.45%
DAX 30 (DE)	+3.76%	+3.14%
SMI (CH)	+1.94%	-0.36%
MSE 20	-16.77%	-11.86%

Source: Bloomberg

Foreign Exchange Rates (Monthly performance)

	7-Aug	7-Sep	%
USD - TӨГ	1,987.92	1,989.47	0.08%
EUR - TӨГ	2,170.21	2,216.27	2.12%
JPY - TӨГ	15.93	16.68	4.71%
CHF - TӨГ	2,024.46	2,045.10	1.02%

Source: MongolBank

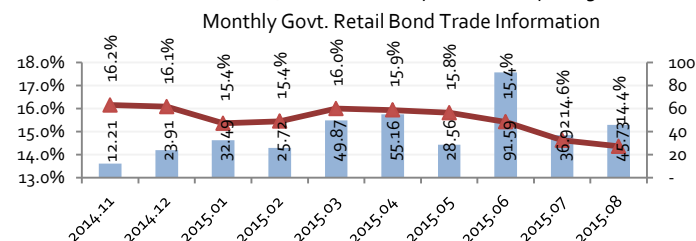
Market news

August stock trading

Total stock trading of the MSE in August was 153.3 million MNT, which was 5.9 times smaller compared to the same period in 2014. Compared to the previous month's stock trade value of 513.5 million MNT, the August trade had decreased by 3.3 times.

Government bond trading

From the last November till the end of August this year, total Government retail bond trade volume was 402.1 bln MNT (by discounted pricing).



In August Govt. retail bond trading occurred 5 times and the total trade volume was 45.7 bln MNT by discounted pricing (50 bln MNT by face value). As we expected, due to high demand and limited supply, the bonds coupon rate went down to an average of 14.4%.

Successful primary offering of "Erchim bond"

The corporate bond "Erchim" was successfully traded on 21st of August raising 500 mln MNT from the MSE. Demand for Erchim bond was almost 4.7 times higher than the supply as the MSE reports. The bond offers 18.5% annual coupon rate and matures in 6 months period on 21st of February 2016. The most attractive side of the bond was that it not only offered a high yield, but also was fully insured by a local insurer. The secondary market of Erchim bond had already started on 25th of August.

Dividend Information

The following companies published dividend distribution information in August.

Stock code	Ex Period	Dividend per share (after 10% tax)	Comment
HRM	28/08/2015	4.96 MNT	Announced
BDS	2012	54.00 MNT	Already transferred to shareholders account
BDS	2013	10.6 MNT	

Insurance companies to participate in the capital market

FRC amended its regulation on compilation of long term insurance reserves of insurers. According to the new requirements, the insurance companies can now invest their insurance reserves into securities and the capital market as follows:

Article	Capital Category	Max level to invest	
3.1.10	Investment fund	20%	
3.1.12	MSE stocks	I classification	10%
3.1.13		II classification	5%

This was to limit issuance of commercial loans from the reserve funds and increase other investment categories that support the capital market. For instance, closed and open Investment funds are now an option for insurers and they are also started looking into MSE listed stocks, which can boost the local stock market in the long run.

Some companies' financial information of Q2, 2015

In the previous month, we published 67 companies' financial numbers and this month we are presenting another 86 companies' financial number of 2015 Q2. EPSs are calculated on an annual base, between 2014Q2-2015Q2.

No	Sym bol	Total asset. mln. MNT	Total liabilities, mln. MNT	Share price, MNT 2015.09.02	EPS, MNT, 2014Q2-2015Q2	P/B	P/E	No	Sym bol	Total asset. mln. MNT	Total liabilities, mln. MNT	Share price, MNT 2015.09.02	EPS, MNT, 2014Q2-2015Q2	P/B	P/E
1	ESG	1.2	5.4	2000	n/a	-103.7	n/a	44	MBG	11729.8	5944.7	10000	-205.5	0.7	-48.7
2	TMZ	85.4	142.7	30000	-453.0	-38.9	-66.2	45	BHL	1346.5	386.9	560	-29.0	0.7	-19.3
3	KEK	6369.7	7102.1	8500	-4591.1	-3.7	-1.9	46	DES	888.7	30.9	10000	432.6	0.9	23.1
4	AOI	2891.3	5645.3	3480	4.4	-2.9	785.0	47	UBH	10215.4	3541.3	14410	287.6	0.9	50.1
5	ARJ	22.1	38.8	456	n/a	-1.5	n/a	48	EAZ	190.7	9.4	200	n/a	1.0	n/a
6	BLC	2348.1	2517.6	900	-3.0	-1.0	-299.9	49	TVT	4939.2	64.9	14990	164.1	1.0	91.4
7	DMA	11.4	19.4	100	-94.6	-0.9	-1.1	50	HSX	1289.4	570.8	850	32.8	1.0	25.9
8	ECV	2700.7	3187.5	4000	-7837.7	-0.8	-0.5	51	HRL	387.6	42.8	179	n/a	1.1	n/a
9	CCA	173.6	100.6	-	-880.2	0.0	0.0	52	JGV	343.2	127.2	3300	375.1	1.1	8.8
10	DLG	683.3	1253.4	-	-1250.2	0.0	0.0	53	TUS	2651.1	1056.4	420	11.9	1.1	35.3
11	HBT	6730.9	6346.1	-	-3119.0	0.0	0.0	54	HRM	8479.2	220.4	139	9.2	1.3	15.1
12	HHS	561.8	296.6	-	2.2	0.0	0.0	55	TEE	1698.3	245.8	12090	1654.5	1.4	7.3
13	JGL	439.4	163.4	-	41.8	0.0	0.0	56	SUU	49077.3	22666.3	108000	7780.0	1.4	13.9
14	JLT	253.1	75.5	-	-837.6	0.0	0.0	57	SSG	1390.3	555.5	621	-76.7	1.4	-8.1
15	ONH	91.0	0.1	-	351.4	0.0	0.0	58	GFG	125.6	0.1	509	-0.5	1.5	-
16	BRC	14947.2	4628.6	405	-4791.1	0.0	-0.1	59	SES	177.3	28.4	2240	78.8	1.7	28.4
17	HUN	4046.7	2244.4	26	-2127.7	0.0	0.0	60	MOG	674.4	148.6	18400	-699.6	1.8	-26.3
18	BLG	660.4	414.5	20	-5.0	0.0	-4.0	61	BHG	3352.6	1765.7	7000	-12.2	2.0	-574.7
19	AZH	21988.0	14917.4	604	23152.6	0.0	0.0	62	MNH	9093.1	8135.0	4220	169.4	2.1	24.9
20	MDZ	2530.9	95.6	225	-479.0	0.0	-0.5	63	HHC	557.0	39.2	1600	-73.8	2.2	-21.7
21	HVL	155.1	-	50	n/a	0.0	n/a	64	MVO	21532.2	20127.4	3480	203.1	2.3	17.1
22	BAJ	11.0	-	3	n/a	0.0	n/a	65	MSH	5552.9	2615.1	690	-5.0	2.4	-138.1
23	HUV	2015.0	1106.5	160	15.9	0.0	10.1	66	DHU	1900.2	660.0	5000	-23.2	2.5	-215.3
24	CND	1336.3	194.3	462	-81.6	0.0	-5.7	67	ERS	979.8	603.2	3600	-224.3	2.5	-16.1
25	HJL	1321.5	610.2	188	3657.2	0.0	0.1	68	ORD	397.2	33.6	3990	386.0	2.7	10.3
26	ALA	907.0	136.2	350	31.9	0.1	11.0	69	SOR	10969.6	10490.3	1500	n/a	2.8	n/a
27	GUR	268.7	128.0	63	30.4	0.1	2.1	70	BTG	2251.6	640.3	18600	1545.4	2.9	12.0
28	BTI	82.4	0.3	57	n/a	0.1	n/a	71	HAG	231.2	15.7	8000	n/a	3.3	n/a
29	HRD	7595.5	4486.6	1400	2845.1	0.1	0.5	72	MUDX	861.6	691.2	8000	290.1	3.9	27.6
30	TGS	89.5	4.8	100	n/a	0.1	n/a	73	TAV	935.9	139.5	27400	-2223.1	4.0	-12.3
31	DAO	2080.8	2015.3	110	n/a	0.1	n/a	74	TTL	64628.6	23610.2	3106	-45.5	4.0	-68.3
32	INT	1641.9	951.3	138	80.4	0.1	1.7	75	GTJ	490.3	153.7	2443	2.6	4.1	953.2
33	ACL	1798.1	1476.1	720	n/a	0.1	n/a	76	ATI	2488.0	1920.5	2100	-70.3	5.6	-29.9
34	DAH	12368.5	2046.7	27000	n/a	0.1	n/a	77	CHR	496.5	383.9	950	1.2	6.0	816.2
35	BOE	1746.1	347.3	432	26.4	0.2	16.4	78	ALI	165.4	134.9	779	n/a	7.8	n/a
36	SCL	152.9	95.4	50	-75.3	0.2	-0.7	79	ALD	127.5	98.3	1955	-114.3	8.4	-17.1
37	HZB	2171.0	51.9	5245	280.0	0.3	18.7	80	SUL	1138.2	777.0	48080	10601.0	8.7	4.5
38	SIM	451.4	418.2	165	n/a	0.3	n/a	81	TSA	69.4	5.6	6650	-42.9	11.5	-154.9
39	MNG	60.5	31.6	116	-25.2	0.3	-4.6	82	DLH	5.8	0.0	790	n/a	13.4	n/a
40	HSG	948.2	31.6	1400	-72.3	0.5	-19.4	83	IBA	940.3	814.6	4800	-23.0	15.2	-209.1
41	NOG	52.5	0.6	396	88.6	0.6	4.5	84	SIL	2057.9	1409.5	225	-0.3	16.1	-708.3
42	TLP	23.8	0.3	50	6.0	0.6	8.3	85	IND	89.1	59.5	1350	n/a	19.5	n/a
43	EER	69641.4	56345.9	2350	166.8	0.6	14.1	86	NIE	44.0	42.9	1500	n/a	81.5	n/a

Source: MSE

Information on privatization of some state owned companies

The Parliament approved "state property privatization and restructuring guidelines" by its 70th Resolution and announced some state owned enterprises to be partially privatized in 2015-2016. Nine of those companies' shares will be offered to the public through the MSE. Most of them will issue additional shares, thus decreasing the government's share ownership percentage. Please see the table below for more information.

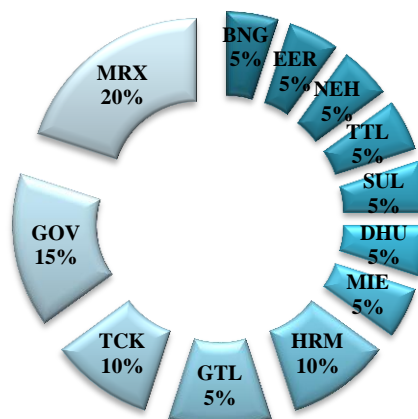
Entity name	Sector	Explanation	Period of implementation	Purpose of additional shares
1 Thermal Power Plant-4	Power	Additional shares will be issued and state owning will be decreased from 100% to 70%	2015 Q4	To renew companies technology and equipment
2 Thermal Power Plant-3	Power	Additional shares will be issued and state owning will be decreased from 100% to 70%	2015 Q4	To renew companies technology and equipment
3 Thermal Power Plant-2	Power	Additional shares will be issued and state owning will be decreased from 100% to 70%	2015 Q4	To renew companies technology and equipment and increase company's capacity
4 Thermal Power Plant of Darkhan	Power	Additional shares will be issued and state owning will be decreased from 100% to 70%	2015 Q4	To renew companies technology and equipment and increase company's capacity
5 Thermal Power Plant of Erdenet	Power	Additional shares will be issued and state owning will be decreased from 100% to 70%	2015 Q4	To renew companies technology and equipment and increase company's capacity
6 Shivee Ovoo JSC	Coal exploration	Additional shares will be issued and state owning will be decreased from 90% to 51%	Preparation will be done in 2015 Q4, implementation will be done in 2016	To increase company's coal mining capacity and renew companies technology and equipment
7 Baganuur JSC	Coal mining	Additional shares will be issued and state owning will be decreased from 75% to 51%	Preparation will be done in 2015 Q4, implementation will be done in 2016	To increase company's coal mining capacity and renew companies technology and equipment
8 Mongolian Telecom	Telecommunication	State owned shares will be offered (55%) to Korea Telecom	2015 Q4	-
9 Mongol Post JSC	Postal service	Additional shares will be issued and state owning will be decreased from 100% to 66 %	2015 Q4	To improve company's operation

As a result of privatization, we estimate that more than 340 bln MNT will be raised from the capital market. This estimation has been done based on the recent share price and book values.

Standard Investment portfolio

We built a portfolio of companies with low P/B ratios and relatively promising future plans. This portfolio would work in the long term. This portfolio remains unchanged as compared to our July portfolio.

Stocks	Company	Percent
MRX	Merex	20%
GOV	Gobi	15%
TCK	Talkh Chikher	15%
HRM	Hermes Centre	10%
GTL	Gutal	5%
BNG	Bayangol Hotel	5%
EER	Arig Gal	5%
MIE	Material impex	5%
DHU	Darkhan Khuns	5%
SUL	Gazar Suljmel	5%
TTL	Tavantolgoi	5%
NEH	Darkhan Nekhii	5%



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