

**IMPORTANT INFORMATION:**

This is a direct investment fund investing primarily in equities.

Key risks:

- The fund is an investment fund. There is no guarantee of the repayment of principal.
- The market value of the stocks held by the fund may go down as well as up and therefore your investment in the fund may suffer losses.
- Investing in the Greater China Region exposes the fund to economic, social, political and regulatory risks in the PRC; volatility and liquidity risks of investments in PRC companies; and risks associated with PRC taxation legislation and any changes thereto.
- The fund's investments are concentrated in the Greater China Region. This may result in greater volatility than portfolios which comprise broad-based global investments.
- The fund may invest in debt securities which may expose the fund to credit and insolvency risks of the issuers of the debt securities. The debt securities held by the fund may be unrated or may be below investment grade, which may result in higher credit, liquidity and volatility risks for the fund. The value of the fund's portfolio may be adversely affected if a debt security held by the fund becomes downgraded.

You should not make any investment decision solely based on this document. Please read the offering document carefully for further fund details including risk factors.

# BOCOM International Dragon Core Growth Fund



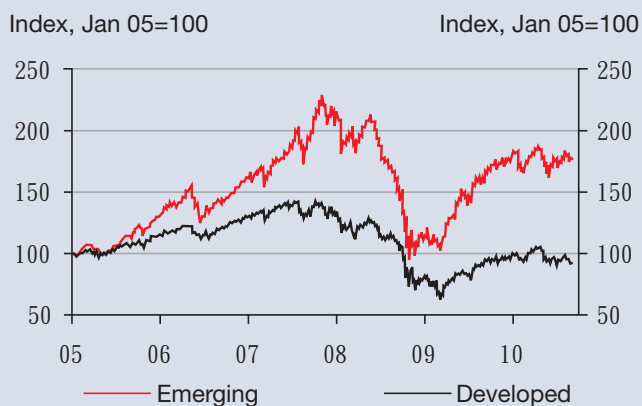
- Benefiting from opportunities in both Mainland China and Hong Kong by investing in Red Chips, H shares and other HK Stocks in any market condition
- BOCOM International Asset Management Ltd is a wholly-owned subsidiary of the BOCOM International Holdings Company Limited
- Assisting investors to achieve long term capital growth and stable return by our experienced investment professionals from Mainland China, HK and overseas



## China Market Review

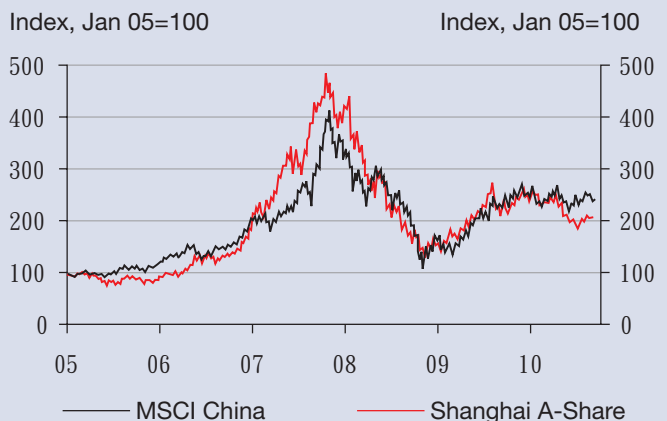
- The G20 has replaced the G8 to be the key economic group in driving global economic growth. The influence of emerging economies will further increase, with China and other BRIC countries having more voting rights in the IMF and World Bank Conferences.
- For the first time, China had surpassed Japan becoming the world's second largest economy in 2Q2010. This is a milestone for China at this stage of economic development.

Stock Market Performance



Source: Thomson Reuters Datastream, Latest data point Aug 10

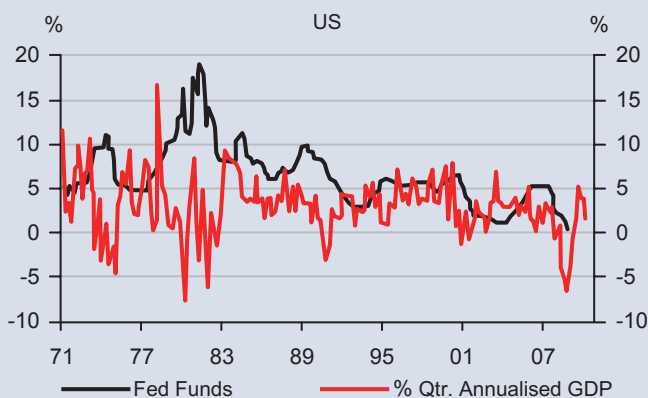
China Equity Markets



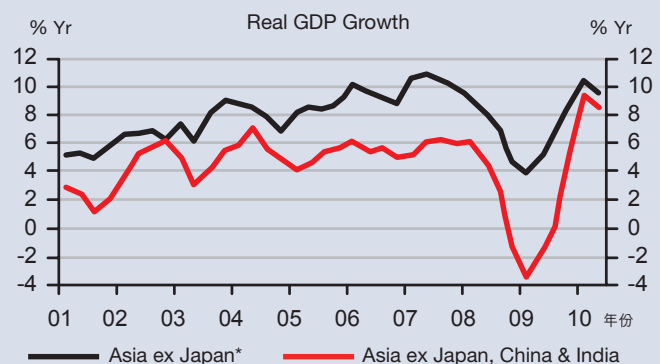
Source: Thomson Reuters Datastream, Latest data point Aug 10

## China Market Outlook

- Comparing to the previous year, the Chinese stock markets shall remain volatile. Nevertheless we expect corporate earnings growth to remain solid in the coming quarters
- Expecting QDII and QFII flows continue to increase steadily
- The strengthening and internationalization of the RMB currency could benefit equities listed in Hong Kong
- The impact of a negative interest rate scenario on asset prices



Source : Thomson Reuters Datastream, Latest data point Q2 2010



Note: \*Weighted average of 10 Asian countries. Latest data point Q2 2010.  
Source: Thomson Reuters Datastream.

## Investment Strategy

- Last year China announced a restructuring plan for the auto sector which could bring various opportunities for these emerging sectors such as energy-saving, alternative energy, 4G communication technology, bio-tech, and metallurgical development etc in the near future.
- More than half of the world's Rare-earth reserves are in China:
  - Both traditional and hi-tech industries need rare-earth as a key ingredient in their production process; rare-earth contains elements that are essential not only to traditional industries such as refineries, ceramic and household appliances, but hi-tech industries like electronic goods, nano-technology and other precision equipments etc as well.

## Why Now

- Global economy is now at a recovery stage after the post-crisis market downturn. Investors with a medium to long term investment horizon could start to build a position
- Quantitative easing policy on a global scale provides good liquidity in the capital markets of Hong Kong
- The central government policy of China may bring more investment opportunities in our focused sectors
- It is expected that QDII and QFII flows will grow steadily in addition to the RMB becoming an international currency.

## Why our Fund

- Investment team has primary focus on the Mainland China and Hong Kong markets
- Experienced investment team helps investors to take part in emerging trends. Our investment team has 10 years of experience on average
- BOCOM International Asset Management Ltd is a wholly-owned subsidiary of BOCOM International Holdings Company Limited

## Fund Details

Investment Objective	Seeks to deliver long-term capital growth through investing principally in equities of companies that are listed on the Hong Kong Stock Exchange, which have considerable interests in the Greater China region (inclusive of Mainland China, Hong Kong, Macau and Taiwan.)
Denomination	HKD
Subscription Fee	up to 5%
Annual Management Fee	1.5% p.a.
Performance Fee	Not applicable
Redemption Fee	Not applicable

## Investment Objective & Strategy

- The Fund seeks to deliver long-term capital growth through investing principally in equities of companies that are listed on the Hong Kong Stock Exchange, which have considerable interests in the Greater China region (inclusive of Mainland China, Hong Kong, Macau and Taiwan). The Fund invests at least 70% of its net asset value in companies listed on the Hong Kong Stock Exchange. Specifically, the Fund targets to invest 35% to 70% of its net asset value in H-shares and red chips *subject to regular reviews by the Manager based on market conditions, taking into consideration economic indicators, market liquidity or corporate fundamentals for H-shares and red chips*. The remainder of the Fund's equity position (which is expected to be within the range of 30% to 65% of the Fund's latest Net Asset Value) will be allocated to other equities (non H-shares and red-chips) listed on the Hong Kong Stock Exchange.

**Investment involves risks. Please refer to the offering document for fund details including risk factors. This material is issued by BOCOM International Asset Management Limited and has not been reviewed by the Securities and Futures Commission ("SFC"). The SFC's authorisation of the fund is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of the fund or its performance. It does not mean that the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC's authorisation of the fund is not a recommendation or endorsement of the product.**