Long Term Investment Fund

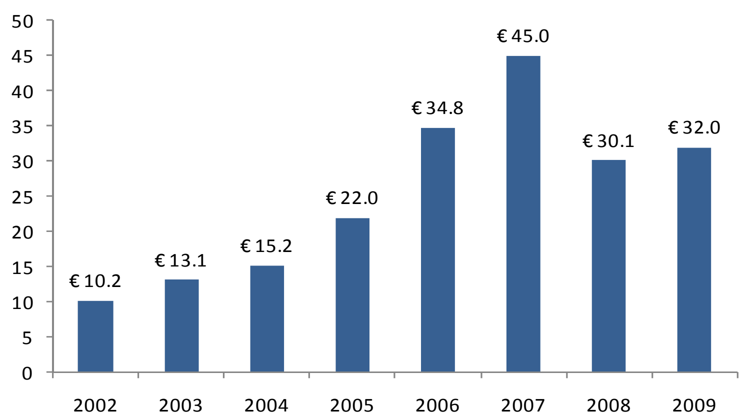
Table 1 and figures 1 through 5 show the latest evolution of our funds' Net Asset Value.

Table 1: Net Asset Value - Net assets under management in EUR

December 2009	NAV	Δ YTD	Δ 12m	Ann. Return since Inception	AUM (in mio)
LTIF Classic [EUR]	227.72	68.86%	68.86%	10.83%	599.95
LTIF Alpha [EUR]	144.94	39.04%	39.04%	7.84%	106.15
LTIF Global Energy Value [EUR]	117.48	110.39%	110.39%	3.39%	47.88
LTIF Stability Series [CHF]*	210.70	26.02%	26.02%	7.38%	40.80
*Total Return (incl. Dividend)	3.23	28.41%			
Global Mining Value Fund [EUR]	98.84	253.00%	253.00%	-0.45%	46.77
MSCI World Index TR (GDDUWI) [EUR]	2'661.76	26.72%	26.72%		

There is a strong appreciation, way above what the markets have done, as can be seen in our "absolute return" funds, the Alpha and the Stability. This kind of performance was of course to be expected after last year's unjustified drops: things are starting to come back to normal. But much more important than the share prices' evolution is the evolution of the long-term fundamental value drivers. Figure 6 shows the adjusted earnings per share evolution of our Classic fund.

Figure 6: Annual earnings per share of the Classic Fund



As we've often said, we adjust earnings per share to make them comparable from one year to the next, taking into account planned capacity expansions, one-off costs and revenues, etc. The fact that we introduce those adjustments, also makes it interesting to look at book value

Figure 1
LTIF – Classic EUR

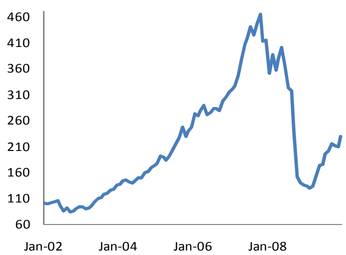


Figure 2
LTIF – Alpha EUR

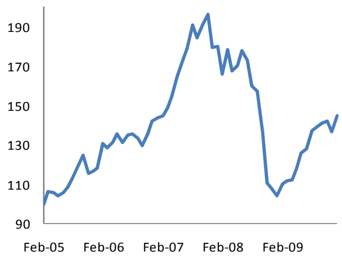


Figure 3
LTIF – Global Energy Value EUR

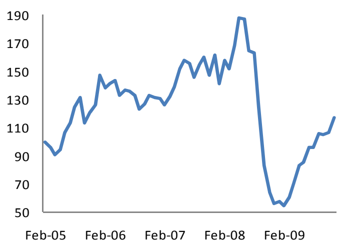


Figure 4
LTIF – Stability CHF

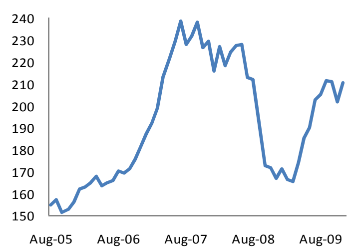
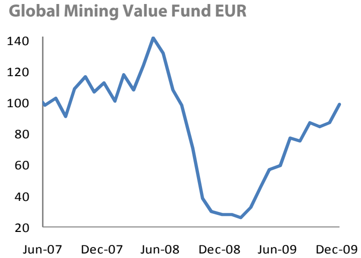


Figure 5
Global Mining Value Fund EUR



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per share: even if it's conceptually less accurate than earnings per share, it has the advantage of not being subject to any accounting adjustment on our side (that's probably why Warren Buffett publishes the evolution of Berkshire Hathaway's book value per share on the first page of its annual report and of his letter to shareholders, and not the evolution of the profits or even the share price). Figure 7 shows the evolution of our Classic fund's book value per share (as an aside, we include the Berkshire Hathaway's and the Classic's evolution in dollars to make it comparable, in figure 8).

Figure 7: LTIF Classic Book-value per share

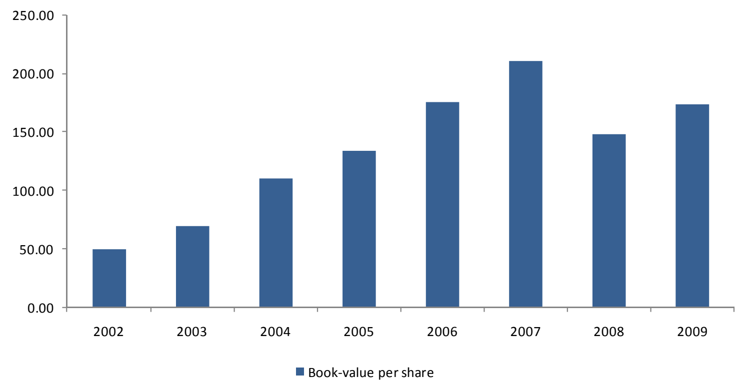
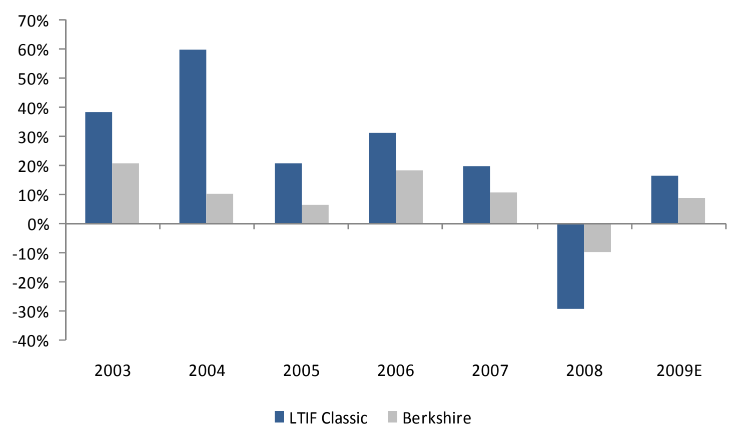


Figure 8: Evolution of Berkshire and LTIF Classic book value per share 2002-2009



Book value is an extremely important, often overlooked figure. If the accounts are properly held (and we do check for accounting tricks), it shows the purchase price, minus amortization, of the company's assets. A buyer of a share of our Classic fund is acquiring about €175 worth of land, inventories, machines, cash…, net of debt. For a share price of €227 this is an excellent deal, since expected returns on those assets are

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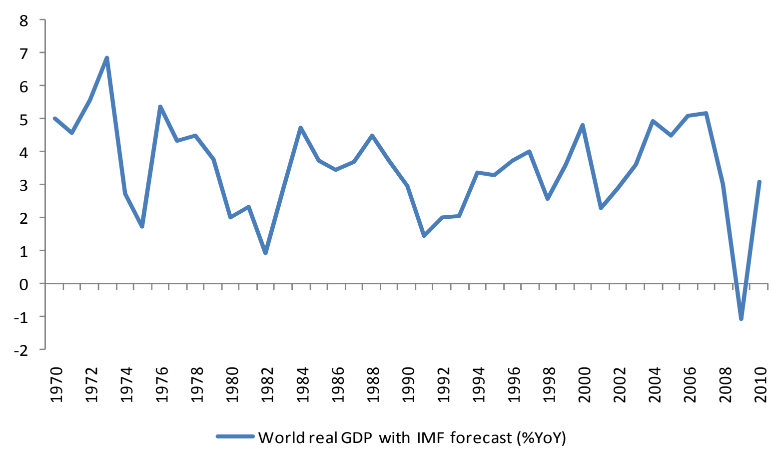
clearly above 15%. Over time, the book value's evolution determines the evolution of share prices to a very large extent, if dividends paid are included. Consequently, the experience of this economically very difficult year shows that we can look forward to sustained increases in our net wealth and, therefore, in our share prices. We believe it's extremely important that investors regard our funds for what they are: the partial ownership of a number of companies. Thus, what matters for the long-term is not what the share prices do but what the companies themselves do. In that respect, we've had an excellent year, and our expectations for next year are certainly not bad.

But, won't the overall economic environment affect our companies?

The big picture for 2010

How do we see the economy? Pretty much as usual. Starting with the highest-level economic variable, world GDP, we think it's fairly wise to predict that it will grow between 2.5% and 4%, which is well within the average of the last 30 years, as shown in figure 9 below.

Figure 9: World real GDP IMF forecast (%YoY)



This is, obviously, an aggregate: some countries will in fact grow much faster than others. But this is no big news: everybody expects emerging markets, especially the famous "BRICs" (Brazil, Russia, India, and China) to grow fast, while the OECD countries have very subdued recoveries, laboring under high debt and facing graying populations. But let's not lose perspective: the US and Europe will, in any case, have GDPs slightly higher than those of 2009, which means coming within 1-2% of their historical highs. We're not suddenly poor. This can be seen in Figure 10.

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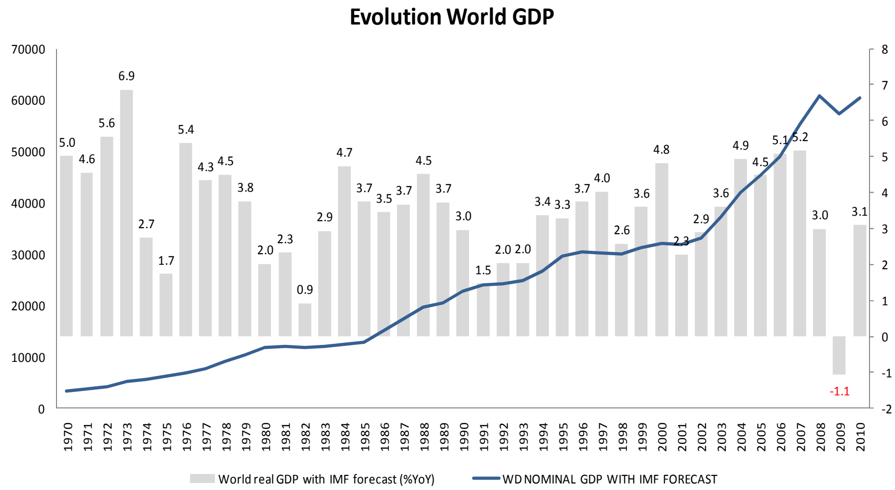
Figure 10: World GDP (absolute money and growth of the previous year 1970 – 2010



As much as an overall world growth rate hides important international differences, it also obscures sector and company-specific issues. As we've pointed out many times, the recession we're getting out of is going to leave many industries with a bad case of overcapacity, which will take time to correct. Some sectors, however, are in good shape, and generalizing doesn't make much sense. But generalizing is what investors are increasingly doing.

The current rage is "ETFs" (exchange traded funds) which, in many cases, are simply sectorial indices. Thus, investors who think energy may be a good investment simply buy an "energy ETF," which implies buying most of the energy-producing companies. This is a very rough approach to investing, which cannot end up well (like most investment rages). Without a detailed analysis of the economics of at least some energy companies, and a comparison between these analyses and the companies' shares prices, it is impossible to know whether buying an "energy ETF" is a good idea or not. Granted, "ETF investors" may have more or less solid reasons to believe that perhaps oil prices may strengthen in the future. But how do they know that such strengthening is not already included in the prices they are paying for the shares? Remember how Internet was going to change the world in 1999? Well, it actually did. But the share prices at that time had already discounted that. Somebody predicting in 1999 that Microsoft would keep its dominance in the computer business over the following decade would have been absolutely right: its profits have more than doubled since then. But investing in Microsoft shares at the prices they were going for in 1999 was a very bad idea, as shown in figure 11.

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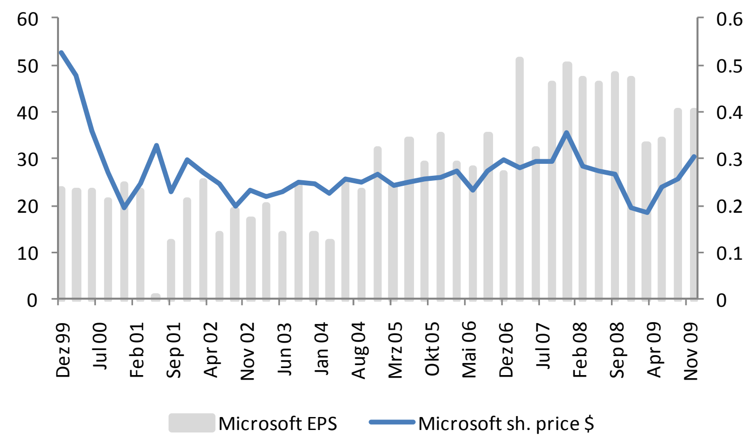
Figure 11: Microsoft share price and its EPS from 1999 to 2009



There is no way around the hard work of trying to understand companies, their business, and their prospects if investing is to mean something more than just placing bets in the latest fashionable concept. Once that individualized analysis has been done, investors realize that macro shifts (the recession, the exit from the recession) may have a large impact on share prices, but may not affect the companies' long-term economic result that much. The net result of ever more investors simply following the herd and substituting buzzwords for analysis ("de-risking," "de-coupling," "de-thinking?") is that opportunities to find value increase over time. We expect our investors' good long-term returns to remain high or even increase.

Comments on our portfolio

Over this past year, we have introduced a number of companies in our portfolio that we believe increase its value. Let's review some of our key holdings per sector:

> Industrials. This is one of the "trickiest" sectors worldwide. Many long-term leaders face excess capacity and, in our view, a growing challenge from emerging markets companies. It's remarkable that a company such as China's Huawei has been gaining market share in the telecom equipment business not just in China, but also in the West, including the Scandinavian countries, home to Ericsson and Nokia. This is a phenomenon that is going to continue.
>
> Thus, if one has to be very selective in general, the industrial sector is particularly delicate. Our main investment here is CAF, the Spanish manufacturer of light trains and tramways. The company is doing exceedingly well, with a firm order book stretching five years, an extremely solid financial position (net cash is equal to almost half the market capitalization), and a

very strong competitive position. The number of maintenance contracts, which are inherently both stable and highly profitable, is increasing as their installed base grows. We were fortunate enough to buy most of the position at less than €200 per share during March's panic. They are now trading at almost twice that. We believe there is still a fair amount of value left. The factories in Spain, USA, and France, as well as the local maintenance facilities in Mexico, Argentina, UK, and Portugal, indicate a good capacity to grow, as does the increasing demand for clean, safe mass transport in cities all over the world.

A small company called Wasion is one of the ideas we're receiving from our Singapore office. Based in China, it builds electricity meters, of which there is still a shortage in the country, since most households didn't measure electricity consumption in the past. The shares have appreciated enormously this year (multiplied by more than four times), but they still trade at a very reasonable price.

Consumer goods. A very profitable investment in that area has been Cermaq, producer of salmon, based in Norway, as has been Inditex, the owner of, among other chains, the Zara casual wear empire. The companies are very different, but both could be bought at very low prices. The good news is that the share prices are sharply up. The less good is that there is now much less value left, and we're already working to find substitutes.

Steinhoff, a low- and medium-priced furniture maker is, on the other hand, still very inexpensive, even after a doubling of the share price since we bought it.

Healthcare. Typically, this is a sector that "value" investors don't touch, and this applied to us in the past as well. There are two main reasons for this: it's always been very expensive, because it combines stability with growth; and, in some areas, there are "technological" risks: new treatments may render a company's products obsolete. In 2008-2009 shares in the sector fell, because of the general sell-offs in the markets and also due to fears of the impact of the American health care reforms. It's taken a tremendous effort to analyze companies we have never studied before, but the large team of analysts we have assembled makes such analyses possible. Many of our investments in this area were so successful that we have already had to sell the shares, since they had reached the point where we felt there was little value left. These companies were: Synthes, Tecan, IMS Health, and Novo Nordisk. We still have some investments in the area, and expect to increase them over the next few months, provided we find attractive entry prices.

Another substantial addition to our portfolio (more than 5%) during this year has been an old acquaintance of ours: UK

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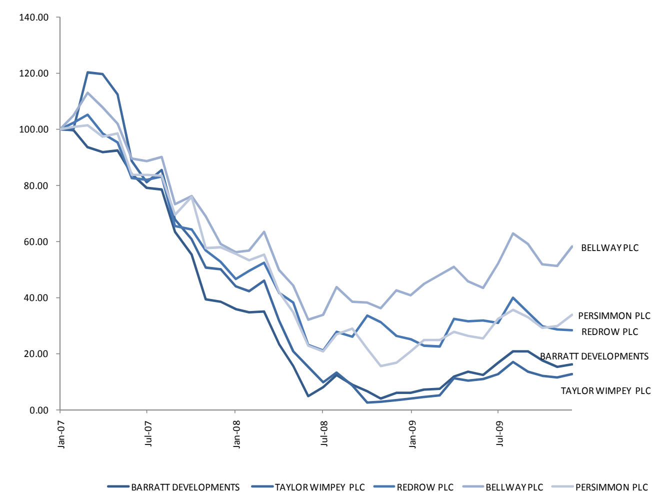
homebuilders. The sector was completely destroyed last year: house prices dropped more than 20%, which had never happened within a space of a few months and, logically, volumes disappeared, as nobody wants to buy when prices are in free fall. To make things much worse, the whole British banking sector was basically bankrupt, making access to mortgage financing very difficult. Not surprisingly, those companies that had taken on debt came very close to bankruptcy, and they all stopped making any money. Share prices collapsed (see figure 12 for the share prices of the main players).

Figure 12: **share prices (rebased) of main homebuilders, 2007-2009**



We followed these events very closely, and set entry prices based on what we thought would be the true price in house prices, derived from supply, demand, and affordability considerations. A very positive characteristic of the UK market is that there is no stock of unsold houses. Thus, the very low level of transactions at the bottom of the market was clearly unsustainable: people, after all, must move house from time to time, given births, deaths, divorces, job transfers, etc. And, since there is no stock, any increase in activity has to be translated into new construction. This has already happened, and we're convinced we've been able to buy into companies with very extensive "land banks" at a price below the minimum that land will fetch in the market: house prices have been increasing for the last few months. If we did indeed buy at the bottom, very good profitability is almost assured.

Telecommunications is another new sector for us. Investments here don't typically yield our sought-after 15%, but the stability of the businesses is excellent, and we've been able to find very solid companies with dividend yields above 6%. We bought and sold Telefonica, as it had reached its target price, but have kept Vivendi, KPN, and Swisscom. In a related, technology area, we bought shares in Accenture at a very low price. We still have them.

The other sectors in which we are invested and which offer the portfolio stability are utilities and motorways. These are typically stable, cash-flow-generating businesses that tend to pay good dividends and grow very modestly. But in March's panic, we found some at very low prices. For instance, the Italian motorway concession, Atlantia, had a weak few months at the end of 2008 and at the beginning of 2009: traffic dropped by some 3.5%. The market immediately assumed that the business was over. But that conclusion overlooked the fact that those months were the bottom of the deepest recession we've had for a generation and that in January-February 2009 Northern and Central Italy had some of the heaviest snow falls for decades. We thought the recession would not last forever and knew that it would stop snowing when summer arrived. Sure enough, traffic recovered and, with it, the share price. To give an idea of how wrong and shortsighted the market can be: we bought the shares at €10, and sold them six months later at €17. And this in a monopolistic business whose profits, due to legislation, don't change almost at all from year to year.

But in addition to those heavily discounted stocks we found some utilities/motorways with good growth, especially in emerging markets. We're now invested in several Chinese motorway companies; some European regulated utilities, and some Brazilian distribution & production companies. One of these, Coelce, pays a dividend of 12% per year, which we think is sustainable. It's not the 15% we want, but a 12% in cash is not so bad, especially in a country with excellent growth prospects.

We maintain our relatively large position in some natural resources, mostly oil, copper, and coal-producing companies. Demand for these commodities is increasing steadily as the world continues its process of urbanization, yet supply is seriously constrained. This has had the effect, unexpected for investors who don't follow the demand/supply balance, of pushing their prices up to levels not far from those prevalent before the 2008 crash. We think these prices are more than sustainable, with clear possibilities of their increasing over time. If so, our companies will be extremely profitable. This is certainly another area where discrimination is essential: not all commodities will produce the same returns, since the supply situation varies enormously, as we discuss below.

Finally, we maintain our large position in insurance and, particularly, re-insurance companies. We believe this sector is underappreciated for a number of reasons. First, the companies were very badly managed in the previous stock market bubble:

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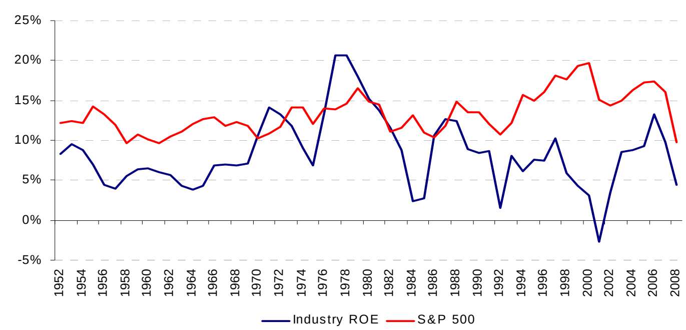
10 years ago, many companies were happy losing money in their basic insurance business as long as this meant gaining access to the “float” (the insurance premiums pre-paid by their clients) and investing it in a booming stock market. When the market crashed in 2000, many insurers were close to insolvency and had to engage in large, dilutive share issues.

In addition to these speculative plays (which they have almost generally avoided ever since), they have been relatively undisciplined with pricing. The amount of risk a company can insure depends on its equity. After a few years of good results, companies have an increased equity, as they retain profits. But demand for insurance does not increase much from year to year, so companies have historically lowered prices to “sell” their new capacity. This obviously ends up in losses, which reduces equity and, thus, capacity, which drives companies to raise prices. This is the essence of the “insurance cycle,” which is unrelated to the economic cycle. This lack of discipline is reflected in the low Return on Equity that the industry has historically achieved, as shown in figure 13:

Figure 13: Return on Equity Insurance Industry



In addition to these “historical flaws,” investors face an industry that is very difficult to analyze. In most industries, companies more or less know what their profits are over a short period of time: they build something, and sell it, and the profit is the difference between the sales price and the costs incurred. There are, of course, all kinds of accounting conventions when estimating costs, but for the most part those costs have already occurred. An insurer, on the other hand, “sells” an insurance contract and does not know how much it will have to pay, if anything at all. The contract may be pure profit or catastrophically unprofitable. Consequently, statistical (actuarial) assumptions must be made on future costs based on past experience. Those can be more or less accurate, but also lead to deviations between the profits companies declare for a given year and what those profits turn out to actually be when everything is

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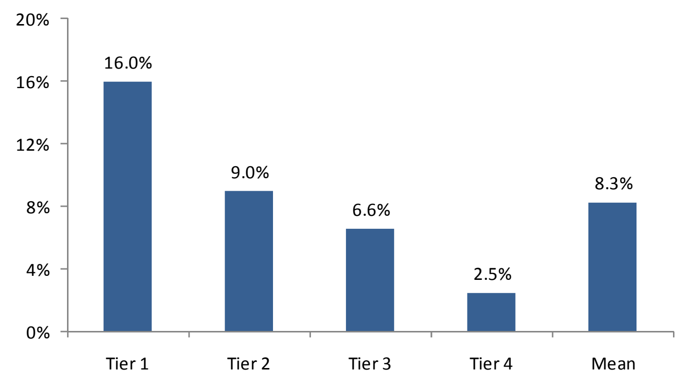
liquidated years afterwards. Investors don't like this uncertainty, and lower the price they're prepared to pay for these companies' shares.

But all these problems are opportunities to value investors. As figure 14 below shows, the low return on equity shown above in figure 13 is an average: some companies are better than others.

Figure 14: US P&C industry ROE. Data based on average 1997-2008



We have been working for more than a year on refining our proprietary analytical techniques with which we study these companies. We believe we have a clear picture of the different stocks, and can invest our clients' money in a profitable and safe way. These companies trade at very low multiples, and many of them pay excellent dividends, as shown in table 2.

Table 2: Insurance Companies' dividend yield (12-month rolling)

Name	Dividend Yield 12-month
CATLIN GROUP LTD	7.7%
MUENCHENER RUECKVER AG-REG	5.1%
AMLIN PLC	4.9%
BEAZLEY PLC	6.7%
ZURICH FINANCIAL SERVICES AG	4.9%
LANCASHIRE HOLDINGS LTD	17.2%
VALIDUS HOLDINGS LTD	3.0%
FLAGSTONE REINSURANCE HOLDING	1.5%
AXIS CAPITAL HOLDINGS LTD	2.9%

A final consideration: these companies' shares behave in a fairly uncorrelated way to the rest of our portfolio, which gives them a very useful role as diversifiers.

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At the end of January, we will be offering public presentations on our analysis of the industry and our investments in Geneva and Zurich. Interested investors who can't attend are welcome to request the presentation materials we will be using.

Naturally, we have other companies in the portfolio (the Classic, Alpha, and Stability funds now hold 70 companies), which are not included here. They increase our diversification from steel distributors (Kloeckner) to electronic game manufacturers (Nintendo), from train and bus operators (Firstgroup plc) to textile fiber manufacturers (Li Heng). In our opinion, they all meet the double standard of good profitability and low current price. Overall, the expected long term return on our portfolio, based on the companies' expected earnings, is above 16% per year.

Looking forward

Our basic premise is that long-term investment success depends much more on stock picking than on trying to guess market swings. Any investor confronted with the last two years' swings can obviously be forgiven for thinking that the important thing is to get the market timing right. After all, who wouldn't like to have sold everything in June 2008, only to re-enter in force in March 2009? Returns would have been outstanding. Our Classic fund, for instance, would have a Net Asset Value per share of more than €800 right now, instead of €228. But this is not investing, any more than playing the lottery is (and the latter is even more profitable… if the right number is picked). Investing is about putting one's money to work in a good business, entered at a reasonable price, and then letting the business grow. If the business is quoted in the stock exchange, its price will swing wildly from time to time. But, in the end, share prices always reflect intrinsic value.

We can now look at our "track-record," as we tend to do at year-end. Somebody who had invested with us when we launched our Classic fund eight years ago would more than have doubled his or her money in terms of share appreciation. In reality, the result is better, as the book value has grown by 250%, against 130% for the shares, and the share price will catch up sooner or later (it's already catching up, as shown by this year's appreciation). Annualized, the shares have gone up since inception by 11%, and this includes a drop in 2008 that will most likely not happen again in the next eight years. If we put the performance in dollars, which is the way most funds are reported, the following would be some comparisons; we believe they underline the long-term validity of our approach.

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Table 3: **Comparison (total return)**

Name	Indexed in U$		annualised growth rate %
	value date 14.01.2002	value date 31.12.2009	
LTIF SIA CLASSIC USD	100	363	17.6
BERKSHIRE HATHAWAY 'A'	100	134	3.8
MSCI WORLD U$ - TOT RETURN IND	100	143	4.6
FRANK RUSSELL 1000 (FRC) - TOT RETURN IND	100	119	2.2
S&P 500 COMPOSITE - TOT RETURN IND	100	114	1.7
	Indexed in €		
LTIF SIA CLASSIC EUR	100	228	10.9
DJ EURO STOXX - NET RETURN	100	111	1.3

Will the next 8 years really give more than 15% per year? We don't know. But the expected return of our shares strongly indicates that we should obtain that return. It will, of course, be volatile, but that does not really matter to a long-term investor. In fact, as we have explained many times, volatility simply gives good entry and exit points that allow investors who know what they're doing to increase their expected return. On most "rankings" (Bloomberg, Morningstar), our funds appear on the top 5% to 1% of all comparable funds worldwide when measured over 1 or 3 years (there are no official statistics going back further). In fact, the Swiss Institute VZ Vermögenszentrum has recently published an analysis of all the registered funds in Switzerland, taking into account appreciation but also risk, and found our Stability Fund to be the best, by a large margin, in the "Global Equity" category.

Comments on our funds

The Stability fund, denominated in Swiss francs, has shown a very good performance in 2009. Since inception, it's up 36%, and has almost recovered 2008's entire drop. In 2009, we have benefited from some very good opportunities in the corporate bond market, and have polished our hedging strategies. We sincerely believe that an annual appreciation in the high single to low double digits, with very little volatility, is possible, in spite of the swings of the last two years.

Our "resources" funds have had an even more amazing two years than our generalist funds. After the total collapse in valuations in 2008, they're up more than 110% for the Energy and 250% for the Mining fund in 2009. They are an extreme example of how the market overreacts: most of our companies are doing more or less as we expected them to two years ago. Thus, most of their price drop and recovery is, shall we say, unjustified. The interesting point is that the shares are still

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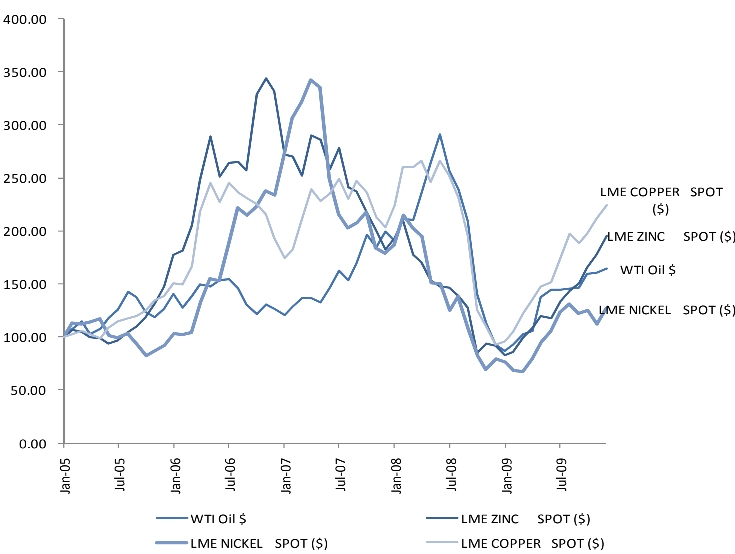
way below their level in June 2008, a level which we felt (and still feel) was justified. This means that, in spite of the sharp appreciation in 2009, there is still plenty of value left.

But, as mentioned above, we must be very selective in this area, too. We really dislike discussions of "commodities" as an investment opportunity if the different materials are not distinguished. Price appreciation stems from the imbalance between supply and demand. As we have explained many times, demand growth is fairly constant and similar for all commodities, as it's very closely related to world GDP growth, which doesn't change that much. But supply is very different from one commodity to the next. Some of them are plentiful, and it just takes a few quarters of strong prices to elicit a strong supply response, thus lowering prices again (in some cases, even lower than before, if supply has grown too much).

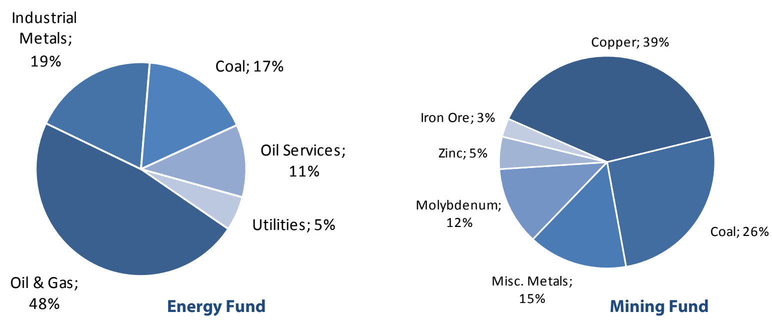
But other things are very difficult to produce. We've discussed oil many times, but the situation is similar (in fact, worse) in copper or coking coal. Consequently, not all commodity prices will behave the same way, which they have not done in the past, as shown in figure 15.

Figure 15: Spot prices (rebased) 2005-2009 for copper, nickel, zinc, oil



But distinguishing commodities is not enough. Oil prices may well go up, and yet investing in oil companies may be a bad idea: it really depends on the price one pays for the companies. If share prices already reflect the future increase in oil prices and profits, investing in them may not be particularly profitable. And the opposite may also be true. Therefore, in addition to a careful understanding of the future evolution of commodity prices, it's necessary to analyze each company's value, and compare this with its current share price. The "natural resources space" is one in which such an in-depth analysis is not frequently undertaken; consequently, it's relatively easy to find under- and over-valued stocks. And that's why, in addition to all the structural reasons (emerging markets' growth, difficulty to supply, etc.), we believe we can deliver outstanding value for our investors. So far, our funds had done much better than their underlying indices.

Figure 16: **Investments by industry of the Energy Fund & Mining Fund**



However, the previous paragraph has an unmistakable consequence: to deliver the value we want for our investors, we must have a large choice of stocks from which to select. In energy, this means companies producing oil, gas, or coal, plus oil services. This is not a very wide choice, since most shares go up or down together, which creates great volatility and narrows investment options. To mitigate the problem a bit, we've lately included some copper-producing companies in our Global Energy Value Fund: copper is clearly necessary for energy production and, most importantly, we find a lot of value in those shares, while diversifying the portfolio a bit. In the Global Value Mining Fund, we are now basically concentrated on copper and coal producing companies – that's where we see the opportunities – but, again, this is a fairly limited choice. We have therefore considered merging the two funds into a "Natural Resources Value Fund" fund, which would give us a wider range of options in which to profitably invest our clients' money, while maintaining some diversification.

The impact of such a merger would be small for our investors:

For investors in the Global Energy Value Fund, the only change would be the addition to the portfolio of some positions in mining companies that aren't there now: see the nickel, zinc, etc. positions in figure 16 above. Remember that their weight in the merged portfolio would be 50% of what they are now in the mining portfolio. We believe these are very good investments, which are at least as profitable as the average in the Energy portfolio, and they would diversify it a bit.

For investors in the Global Mining Value Fund, there would be two sets of changes: in the portfolio composition and in legal terms.

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From the portfolio composition point of view, the merger would imply including oil and gas-producing companies in the portfolio in a percentage that would optimize its return/volatility ratio. We believe it would be a net gain.

From the legal point of view, the merged fund would keep the current characteristics of the Energy fund, which means lower fees (1.5% management fee and 15% performance fee as opposed to 2% management fee and 20% performance fee), and a High Water Mark that is higher than that of the Mining fund. This simply means that investors in the Mining fund will not pay performance fees once both funds have been merged for a longer time, as we'll take the Energy fund's High Water Mark.

Another advantage for the Mining Fund investors is that the Energy Fund is a "Part I" Luxemburg fund, which means it is registered for distribution in a number of countries (right now, Switzerland, Spain, Italy, France, Germany, Austria and, soon, UK); it has no minimum investment; and it has daily liquidity.

We will formally announce the plan in a few weeks' time, but would appreciate any comments that current (or prospective) investors may have. The only motivation for the merger is to offer our investors better profitability with less volatility going forward, as the merger will give us the opportunity to invest in a broader range of assets.

SIA news

Early in the new year, Cristian Busquets of our Barcelona office will move to Singapore to reinforce our team there. Our plan is to slowly start engaging local analysts, but we want to increase our research capability right away and to have sufficient "SIA culture" in the office so that any new recruits can easily adopt our distinctive approach to research.

And a small administrative issue: at the end of this quarter, investors in the United Kingdom will be allowed to invest in our funds, which are being registered there and are now also quoted in British Pounds.

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Figures of the USD classes

Table 4: Net Asset Value - Net assets under management in USD

December 2009	NAV	Δ YTD	Δ 12m	Annualised return since inception	AUM (in mio)
LTIF Classic [USD]	326.72	74.29%	74.29%	17.58%	860.78
LTIF Alpha [USD]	207.95	43.52%	43.52%	9.97%	152.30
LTIF Global Energy Value [USD]	168.55	117.15%	117.15%	5.07%	68.70
Global Mining Value Fund [USD]	141.81	264.35%	264.35%	2.22%	67.10
MSCI World Index TR (GDDUWI) [USD]	3'818.86	30.79%	30.79%		

Figure 17
LTIF – Classic USD

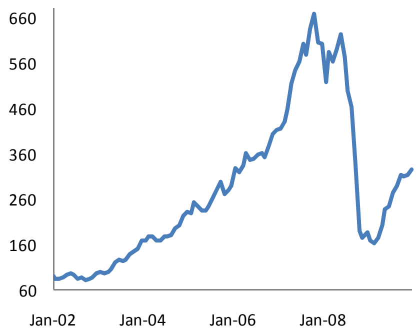


Figure 18
LTIF - Alpha USD

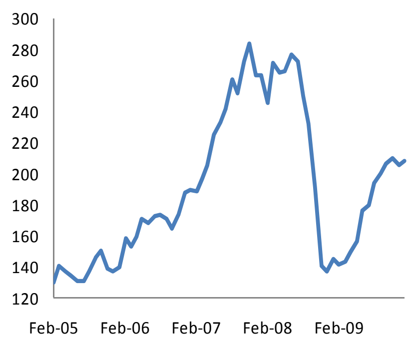


Figure 19
LTIF – Global Energy Value USD

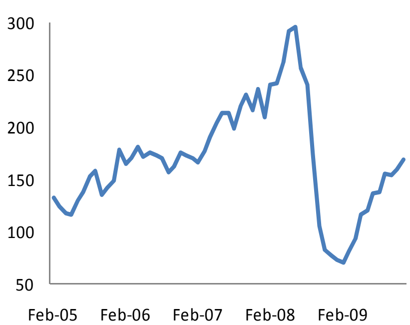
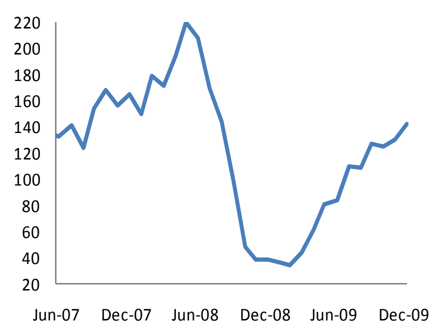


Figure 20
Global Mining Value Fund USD



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Figures of the CHF classes

Table 5: Net Asset Value - Net assets under management in CHF

December 2009	NAV	Δ YTD	Δ 12m	Annualised return since inception	AUM (in mio)
LTIF Classic [CHF]	337.75	69.28%	69.28%	10.86%	889.83
LTIF Alpha [CHF]	214.97	39.39%	39.39%	6.89%	157.44
LTIF Global Energy Value [CHF]	174.24	110.91%	110.91%	2.52%	71.02
Global Mining Value Fund [CHF]	146.60	253.88%	253.88%	-4.75%	69.37
MSCI World Index TR (GDDUWI) [CHF]	3'947.62	27.03%	27.03%		

Figure 21
LTIF – Classic CHF

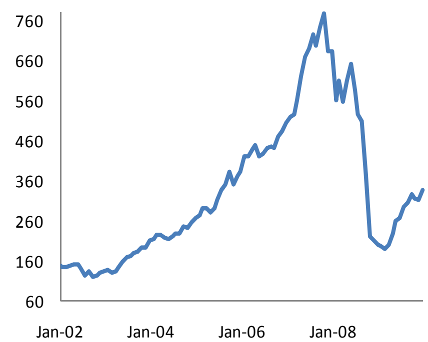


Figure 22
LTIF – Alpha CHF

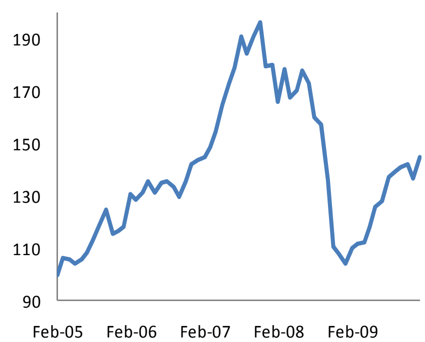


Figure 23
LTIF – Global Energy Value CHF

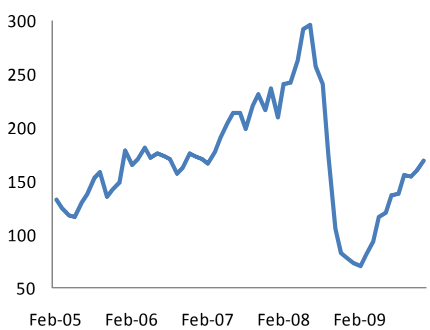
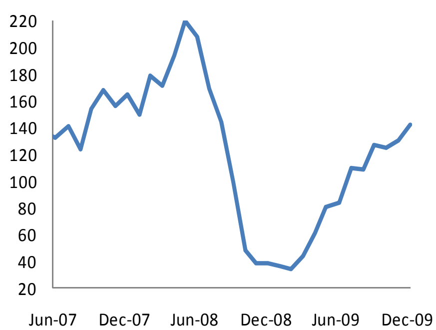


Figure 24
Global Mining Value Fund CHF



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Performance up to 31.05.06 is that of the BVI-based LTIF, of which the LTIF Luxembourg is an identical successor. Previous performance is audited by Ernst & Young. Reports are available from SIA Funds AG. Past performance is no guarantee of future trends.

Long Term Investment Fund is an open-ended investment company of the umbrella type organized as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the Luxembourg law of 20th December, 2002. It has three active compartments, called "Classic", "Alpha", and "Energy", which fully resemble both the Long-Term Investment Fund in BVI (classes "Classic" and "Alpha") and the Global Energy Value Fund with regard to their investment objectives and operational structure. This newsletter is only addressed to qualified private investors who have expressed a desire to receive it, and by no means constitutes an offer to sell financial products that may not be suitable for its readers.

LTIF – Classic II EUR
ISIN: LU0423699429
Telekurs: 10'096'865
Bloomberg: LTIFC2E LX

LTIF – Classic II USD
ISIN: LU0423699692
Telekurs: 10'096'889
Bloomberg: LTIFC2U LX

LTIF – Classic II CHF
ISIN: LU0423699775
Telekurs: 10'096'893
Bloomberg: LTIFC2C LX

LTIF – Alpha II EUR
ISIN: LU0423699858
Telekurs: 10'096'895
Bloomberg: LTIFA2E LX

LTIF – Alpha II USD
ISIN: LU0423699932
Telekurs: 10'096'898
Bloomberg: LTIFA2U LX

LTIF – Alpha II CHF
ISIN: LU0423700029
Telekurs: 10'097'000
Bloomberg: LTIFA2C LX

LTIF – Global Energy Value EUR
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Telekurs: 2'432'575
Bloomberg: LTIFGEV LX

LTIF – Global Energy Value USD
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Bloomberg: LTIFGEU LX

LTIF – Global Energy Value CHF
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Global Mining Value Fund is a Luxembourg multiple compartment Investment Company organised as a "societe anonyme" incorporated on June 6, 2007 and subject to the Luxembourg law of February 13, 2007 relating to Specialized Investment Funds (SIF).

GMVF-Global Mining Value EUR
ISIN: LU0305469388
Telekurs: 3'183'766
Bloomberg: GMVFEUR LX

GMVF-Global Mining Value USD
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Long Term Investment Fund Stability (SIA Funds) was approved by the Swiss Banking Commission on July 13, 2006. The fund started trading denominated in Swiss Francs as of October 1st, 2006. This newsletter is only addressed to qualified private investors who have expressed a desire to receive it, and by no means constitutes an offer to sell financial products that may not be suitable for its readers.

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