

Long Term Investment Fund

Figure 2
LTIF – Classic EUR



Figure 3
LTIF – Alpha EUR

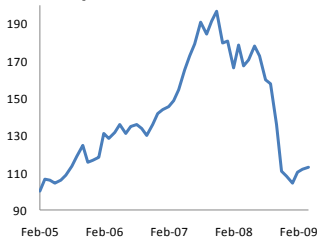


Figure 4
LTIF – Global Energy Value EUR

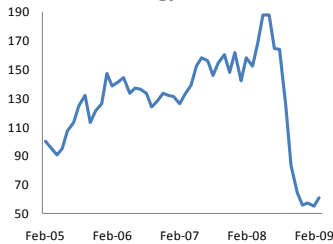


Figure 5
LTIF – Stability CHF

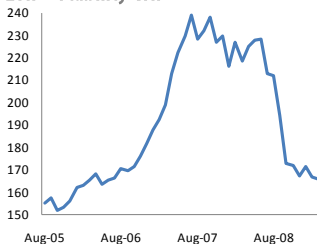


Figure 6
Global Minina Value Fund EUR

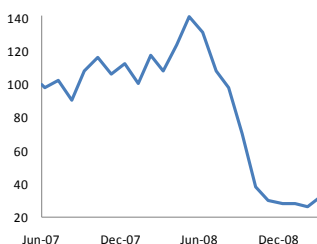


Figure 1 and Table 1 show the evolution of our funds in the first quarter of the year. Figures 2 to 6 show their long-term evolution.

Figure 1
LTIF Funds - quarter to date evolution

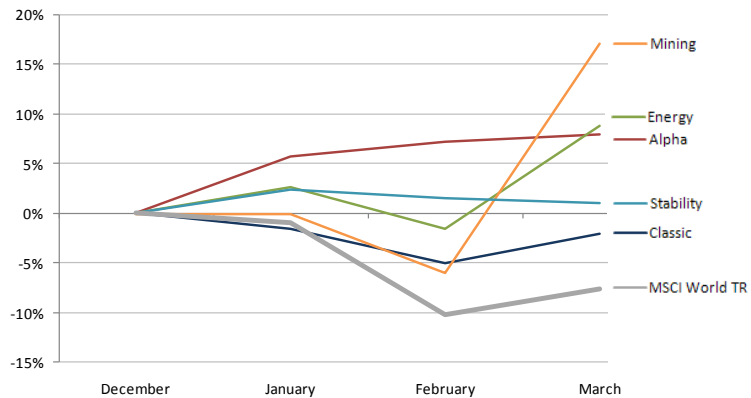


Table 1: Net Asset Value - Net assets under management in EUR

March 2008	NAV	Δ YTD	Δ 12m	Δ Inception	AUM (in mio)
LTIF Classic [EUR]	132.02	-2.11%	-62.81%	32.02%	358.89
LTIF Alpha [EUR]	112.58	8.00%	-32.74%	12.58%	67.76
LTIF Global Energy Value [EUR]	60.76	8.81%	-60.06%	-39.24%	13.37
LTIF Stability Series [CHF]*	165.70	-0.90%	-24.10%	7.06%	55.59
*Total Return (incl. Dividend)	3.23	1.00%			
Global Mining Value Fund [EUR]	32.81	17.18%	-69.68%	-67.19%	19.92
MSCI World Index TR (GDDUWI) [EUR]	1'940.04	-7.64%	-31.01%		

The shares we own have done better than the indices, by an average of about 2% per month, since the beginning of the year. Are we experiencing a short-term "bounce" or can we expect this "outperformance" to continue? Although we adhere to the belief that no one can predict short-term market moves, a quick look at the past may provide some indication.

The Fund's Alpha and the Alpha Fund

We have always insisted that we invest in companies, not shares. We are interested in our investments' long-term profitability, not in the short-term movement of the shares' prices. For that reason, we don't like to talk about "benchmarks" against which our funds can be compared: our aim is to make money over the long term, period. However, we know that, over the long term, company profitability and share price performance are highly correlated, especially if the shares were bought at a low price. Since comments on share price movements tend to deal with short time periods (What did the fund do last quarter? Are we prof-

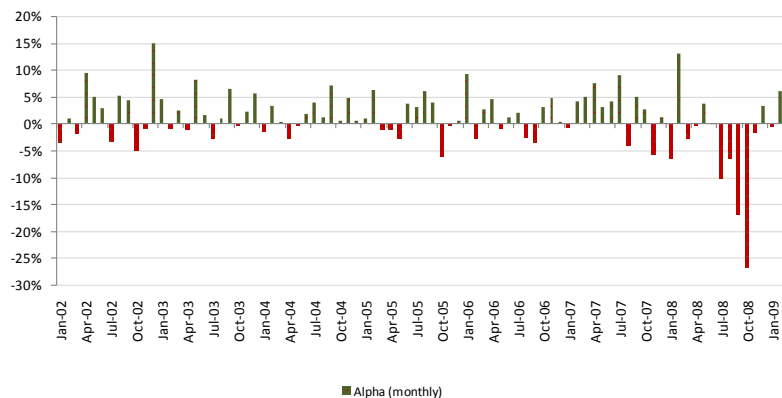
iting from the current rebound?), we find them useless or, even worse, distracting.

Of course, it is entirely reasonable that our investors, even if they agree with our “fundamentalist” approach, might want to compare our funds’ “performance” (i.e., the share price evolution) with that of the markets. After all, somebody interested in buying publicly traded companies can purchase an index fund and profit from the overall growth in the economy, while paying very low fees. It is well known that a vast majority of actively managed funds do worse, over time, than the markets.

In this sense, an analysis of how our funds perform against the markets is instructive, for it gives an indication of our stock-picking prowess and our ability to “buy low and sell high”, at least in relation to the overall market. So, for a couple of pages, we’re going to deviate from our traditional concern for our “fundamentals” (profits, book value per share, expected intrinsic return...) to discuss our “performance”. Be assured that we will return to the fundamentals in short order, knowing that this is what matters in the end. However, a look at the share price evolution may be a useful checkpoint on the way to that promised long-term return.

Figure 7 shows the monthly difference in “performance” between our Classic Fund and the MSCI World Index (both in Euros), since we started the fund in January 2002. In other words, it shows how much our shares went up or down per month vis-à-vis the market. As always, LTIF numbers are presented net of all fees.

Figure 7
Monthly “performance” difference between Classic Fund and MSCI World Index



This figure merits a few comments.

First, the average monthly “outperformance” is 1.01%, with a standard deviation of 5.58% (the latter being the amount that monthly “outperformance” typically deviates from the overall average). By itself, that’s a remarkable result: as we said before, very few funds do better than the indices for long periods of time, especially after fees. The graph covers more than seven years, with periods when markets went up, down, and

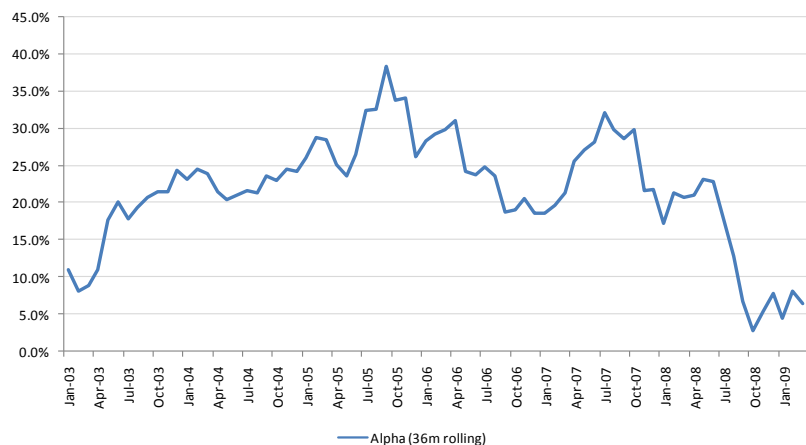
sideways, and after all those months the average is still strongly positive.

Fairly remarkable as well is the relative regularity of the returns: it's evident by just looking at the chart that there was one very bad period (four months at the end of last year), while the rest of the time the "outperformance" has been fairly stable. In fact, if we calculate the monthly average from the fund's inception until June 2008, the "out-performance" jumps to 1.81%, but what's more remarkable, the standard deviation falls to 4.15%.

We, then, have a fund that has had a steady "outperformance" for six and a half years, followed by a short period of massive "underperformance". Of course, that period was not a random one: everyone is well aware by now of what happened over last year's summer and fall. How should that period affect the judgement passed on our investing approach? Were we just lucky during the first 26 quarters, which masked a very risky portfolio that finally exploded?

Figure 8 offers some clues. It shows the "rolling 3-year annualized Alpha of the Classic Fund". What is that?

Figure 8
LTIF Classic rolling Alpha



As most of our readers know, a fund's "Alpha" is the amount by which it out- or underperforms the market. Its calculation is a bit more complicated than the average monthly performance shown in figure 7, but in essence it's the same thing. What figure 8 shows is, for each month, the Classic Fund's outperformance (its Alpha) per year, over the previous three years. Note that the first data points only calculate the Alpha over the previous months, because the fund was not yet three years old.

Without doing many complex calculations, it's fairly evident that the Classic Fund has typically had an annual Alpha of some 20%, which is very large. This basically means that, for each year, the fund's shares would go up (or down) by whatever the market went up (or down), plus

20%. This can be seen in Table 2. Most remarkable, even at the end of October 2008, after the sharpest market crash ever, an investor in our fund had still done better, over the previous three years, than the market. As of March 31st 2009, the *annual* outperformance of the fund over the last three years has exceeded 8%. There are very few long-only funds in the world that can show such "performance".

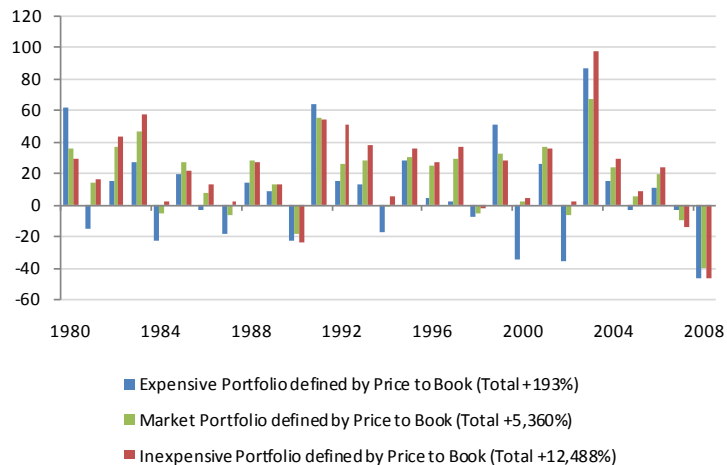
Table 2: Annual performance of the LTIF Classic against the MSCI World Index

Year	Classic	MSCI	Difference
2002	-6.9%	-31.7%	24.8%
2003	44.3%	11.3%	33.0%
2004	28.0%	6.9%	21.1%
2005	42.8%	26.8%	16.0%
2006	27.6%	7.9%	19.7%
2007	31.9%	-1.2%	33.1%
2008	-67.4%	-37.2%	-30.2%

But that is the past. What can we expect now?

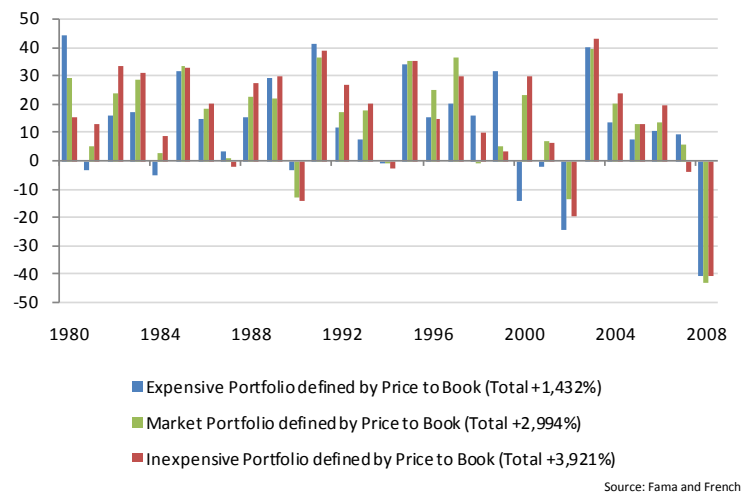
In our opinion, our "Alpha" stems from a very solid investment strategy, proven over the years: invest in good companies, bought at low prices. It has been shown again and again that over the medium term, shares bought that way outperform the markets, as illustrated by Figure 9 and Figure 10.

Figure 9
Low vs. High Book Equity to Market Equity Portfolios (Small Caps)



Source: Fama and French

Figure 10
Low vs. High Book Equity to Market Equity Portfolios (Big Caps)



We believe that the recent period of “underperformance” is not representative of the long-term results of our strategy, but rather the result of a truly unique dislocation of the markets. It is very telling that, once the extreme stress in financial markets has been somewhat normalized (panic is still there, but not increasing), the fund’s long-term “Alpha” is rising again, apparently moving toward its historical average. Put in simpler terms: our shares have dropped so much more than the markets, compared to their intrinsic value, that they might logically do much better than the markets in the coming quarters.

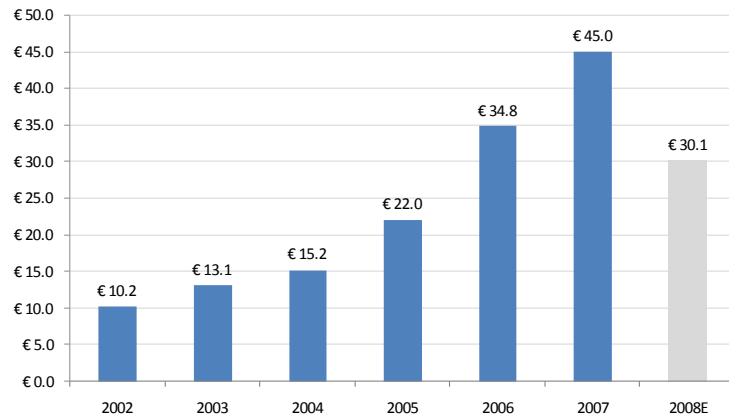
All of this can be seen in the Alpha Fund, which simply captures the Classic portfolio’s “outperformance”. It is up 8% in the first quarter of the year, which would amount to an annualized 36%. We don’t *expect* this kind of performance, but this is an indication that the extreme undervaluation of many of our shares is being corrected: we are not only generating Alpha, but also a much higher one than in the past.

Does all this mean that our Classic Fund will do much better than the indices this year, and therefore the Alpha will show a strong, positive return, even if the markets drop? We don’t know. This is certainly what has happened in the first quarter, and we have reasons to expect the trend to continue. But we don’t “control” what share prices do. All we can “control” is our analysis of the profits to be made by the companies we buy. Let’s, then, stop talking about shares and turn to discussing our companies’ *fundamentals*.

Fundamental analysis

We have typically used our earnings per share (EPS) as a simple, clear measure of our profitability. In our previous newsletter we published the following chart:

Figure 11
LTIF Classic earnings per share since inception



As we have explained previously, when we report earnings per share we “normalize” them. This is because companies’ profits are often fairly volatile, with large variations from year to year. For instance, when valuing a copper-producing company, one has to take into account that copper prices vary a lot from one year to the next. We did not expect that copper prices would remain at \$4/lb forever, which was their price in mid-2008. Our estimations for 2009 profits used a lower price, because our analysis of copper industry economics led us to conclude that those prices were not sustainable.

However, at the end of the year, after the crash, copper prices were too low, in our opinion, to justify the necessary investment to maintain copper production. As a result, we use a reasonable long-term price (see our [March 2008 newsletter](#) for an explanation of how we derive it) to value a mine over its lifetime. Similarly, we remove exceptional gains or truly one-off losses, and credit or charge them to the equity account, rather than to the running profits. Thus the PE of a copper company can vary, within the year, from 3 to 30, whereas the value of the company is fairly stable.

Another phenomenon that affects earnings per share and therefore PEs is leverage: a company with a lot of debt will show good profits per share, particularly if interest rates are low, but those profits will be much less solid than if they are achieved without leverage. This has to be taken into account, if we want to compare investments and provide a summarized view of our portfolio that is not misleading.

Of course, the more one normalizes the profits, the more artificial the final result becomes. Unfortunately, there is no simple answer. That’s why good investors don’t rely on any one given metric. They use a great variety of them, such as PE, EV/Ebitda, EV/Ebit, Price to Book, Internal Rate of Return, Price to Net Asset Value, Price to Liquidation Value, etc., etc. Each measure has its strengths and weaknesses, and all must be

taken into account, and some new ones must be created from time to time.

What we try to do at SIA is to determine what our long-term rate of return will be if we buy a share and keep it forever. As we pointed out above, there is no single, fail-safe methodology with which to determine that, and part of the analyst's skill resides in shrewdly choosing the right approach for the case at hand. We'll give some examples.

- Consider a mining company, with a couple of mines. Each mine has a (relatively) known amount of reserves and an annual rhythm of production, estimated costs and estimated investments. All we need is a reasonable assumption of the long-term commodity price, and it's easy to discount all the future cash flows and compare them to the current share price. This is, conceptually, a simple case, although it can be complicated in practice if the company has many mines, in different stages of development, producing different metals, etc.
- Or take a very stable utility (say, an electricity distributor), regulated by the government, with good profit visibility. Again, it doesn't take much (conceptually, because in practice the details can be mind-boggling) to estimate the long-term profitability of owning the share.
- A stable earner, in almost any industry, can be analyzed by discounting the dividends it pays and adding a realistic growth rate. That might be a good approach for a company such as Nestlé.
- Finally, for a company with deeply undervalued assets, we can just take the current price of the shares, estimate the market value of the underlying assets, and guess how long it will take for the company to realize that value, one way or another. For instance, we own shares in a company that runs container shipping lines. The business is now in bad shape, because of the sharp contraction in world trade. The shares are trading at a price that values the ships at less than 30% of what it would cost to build them. In a few years, the market will be back to normal, and the shares should at least reflect the value of the ships, as long as the company has the financial strength to wait.

However we do it, we determine what we believe buying a share at current prices will earn annually over the long term. We call that, simply, the share's Expected Return. From now on, instead of reporting the fund's PE, which is subject to the complex adjustments mentioned above, we'll report the Expected Return: what we believe buying the fund at its current price will return, annually, forever. Right now, our Expected Return is 17.7% (which, in a simplistic, normalized way, equals a PE of 5.6).

A good way to "value" the fund without adjustments is to look at its book value. The book value of a company is, simply, the accounting

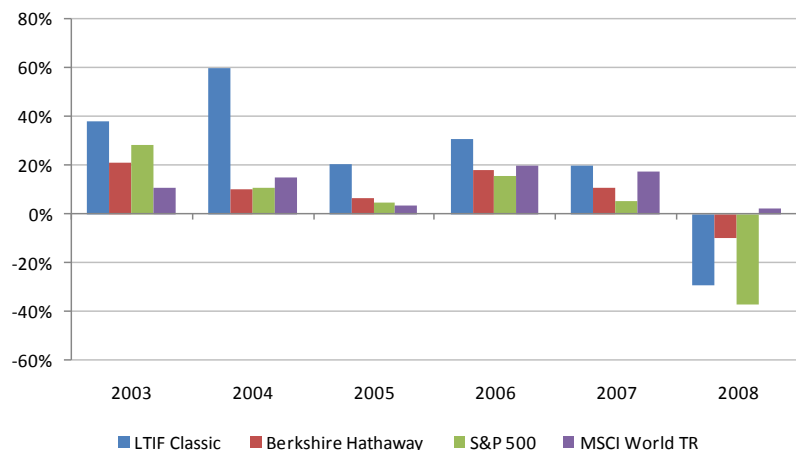
value of all its assets, minus the money it owes. The key word is “accounting”: a company can, for instance, have very old buildings that show very little value in its balance sheet, yet could fetch a high price if sold at current prices. Or it may own something as valuable as the Coca-Cola brand, and not show it on its books, because the company never bought the brand -- it was built over the years, by spending on advertising. All accounting numbers have, therefore, a degree of artificiality. Thus, a very interesting company may have low book value (if what makes it interesting is not recorded in its accounts) and an unattractive one can have a high book value, if it has lots of assets that will never really produce much.

In fact, what matters more than the level of the book value, which is affected by the specific characteristics of each business, is its evolution. This is why Warren Buffett presents these data in the first page of Berkshire Hathaway’s letter to shareholders and in the company’s annual reports. (By the way, we strongly encourage our investors to read those letters, available at (<http://www.berkshirehathaway.com/letters/letters.html>)).

A good company’s shares are almost always priced above book value, for a good company is more than just a collection of assets: there is management, client relationship, employee motivation... all are essential to long-term profits but are not reflected in the balance sheet. That’s why the *evolution* of book value is more interesting and useful than its *absolute level*.

Figure 12 shows the LTIF Classic’s book value per share since inception, and then its rate of growth compared with that of Berkshire Hathaway’s (Warren Buffett’s investment vehicle) and that of the S&P 500 and MSCI World indices.

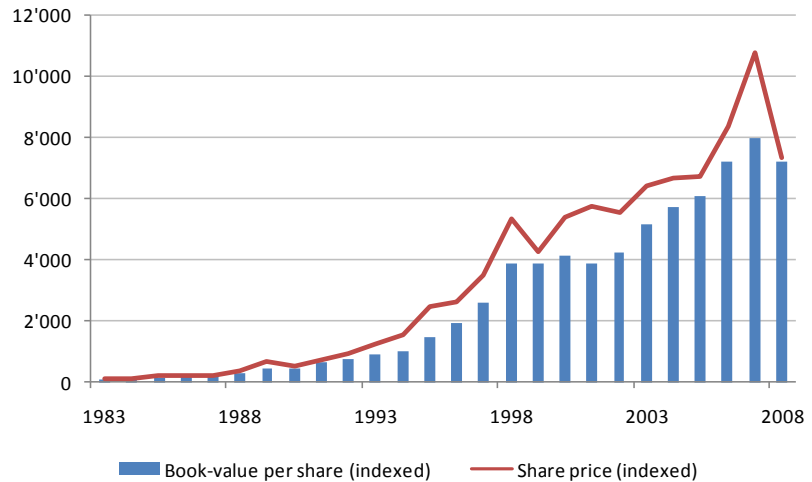
Figure 12
Book-value per share - yearly rate of growth



As shown in Figure 12, our rate of growth has been phenomenal, reversed only in the last quarter of last year, for the reasons already discussed. If we return to a decent rate of growth (remember, our Expected Return is 17.7%, which roughly equals the expected growth in

our book value going forward), our shares will do very well: over time, share prices reflect book values, as shown in Figure 13, and there is also the potential for “catch-up” in share prices discussed above.

Figure 13
Berkshire Hathaways Book-value per share vs. Share price



Again, we cannot know what our share prices will do in the short-term, but our track record suggests that our investment approach accumulates value at a good pace over time.

Comments on our funds

As described above, the Expected Return for our **Classic Fund** is 17.7% per year. We believe this is an outstanding opportunity, for that *annual* return (if our estimates are correct) will be locked in for the long-term. Of course there is uncertainty, but buying the obvious “sure thing” is not how one tends to make money. We are happy to discuss with our investors how we derive these returns, as we do periodically in our newsletters and presentations.

In recent months, we have been slowly building a larger position in utilities, which are now inexpensive, taking into account their profit stability, and in consumer products, traditionally trading at high multiples but now available at a very good price, given their prospects for growth once this crisis is over. Both groups of companies have somewhat higher PEs than our typical investments, but we’re convinced they will provide our investors with an excellent long-term return.

Figures 14 and 15 show our portfolio by industry and geographical region.

Figure 14
Industry breakdown

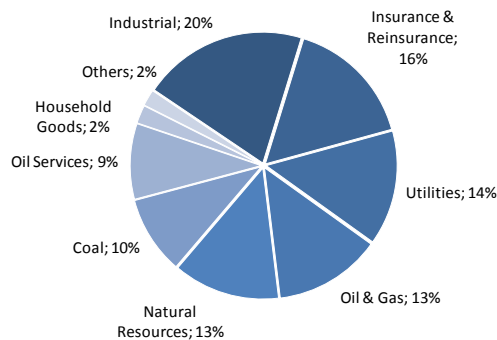
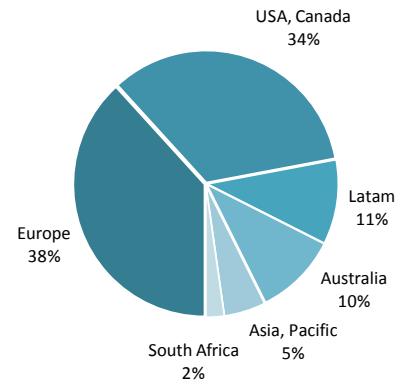


Figure 15
Geographical breakdown



The **Alpha Fund**, which simply reflects the Classic's "Alpha", as discussed above, is "behaving" outstandingly. We have refined our hedging techniques, as discussed in previous newsletters, and this is reflected in the "performance". Of course, after last year's debacle it's hard to say this, but we do regard this fund as a relatively low-risk way of profiting from the stock market "normalization", even if the indices do drop. Investors who are not sure what the market is going to do and don't want to see their share prices decline have an opportunity to participate in the Expected Return of our shares, while being protected from market downturns.

The **Stability Fund** is now honoring its name, outperforming the markets and showing modest growth: taking into account the dividend that was paid in February, it has had a monthly appreciation of 0.33% in 2009, compared to a market drop (in Swiss Francs) of -2.61%.

Finally, the **Energy & Mining funds** are starting to recover from some of the dramatic underperformance of last year's final months. As we said at the time, even if demand for a given commodity falls to zero, the companies owning the reserves can be extremely valuable, provided demand will eventually return, and the companies are financially strong. Last year, shares in those companies were sold as though what they did was useless. Now, the market is coming to its senses. We have Expected Returns for many companies in these sectors of more than 30%. This does not mean that the shares should go up by 30%, but rather that they are the equivalent to an investment that yields 30% per year. This would be hard to believe, were it not for the fact that the shares, which were already not expensive last year, suddenly dropped 50-70% in price. Investors in these funds now have the possibility to participate in a fairly obvious "upside" correction of the share prices. Even if the world economy does badly this year (and it most likely will), oil fields, copper mines, and coal deposits have a lot of value that is still unappreciated by the market. Furthermore, once demand stabilizes, some commodity prices will skyrocket, for production capacity is very limited, and it's not being added: in the middle of the deepest world re-

cession in a century, the oil industry is still operating at 95% capacity. Few other industries can say that.

Some investors have expressed concern about our commitment to these funds, which are now fairly small. We can say only two things: they require minimal additional effort, because we follow the underlying investments for our other funds, and SIA employees are among the largest investors in these funds. We do care about them!

The world economy

Does it make sense to discuss investing in this very turbulent context? Where is the world economy going? The answer, of course, is that we don't know in the short-term. In the medium- to long-term, it will revert to normal. The world is going through the aftermath of a "financial heart attack" but the patient did not die, and all available means are being employed to bring it back to life. It was a fairly obese fellow, so we can't expect a few surgical procedures to put him right back in great shape. However, to counter the very strong deflationary pressures of massive, simultaneous deleverage, governments are applying the forces of massive monetary and financial stimuli. Both processes will take a long time to play out, so the economy will first stabilize and then probably enter into a phase of less growth than it achieved during the past few years. All the same, the world has no fewer factories, mines, engineers... or people trying to have a good time... than it did in the past. Few people, at this point, believe the world will not recover a degree of "normalcy" at some point in the next year or two.

The key point that seems to exercise investors is "when, precisely?" ... Will it recover in the third quarter? The fourth? Next year? Is the current stock market rally for real? We have two answers to this: 1. We don't know; and 2. We don't care.

We don't define our job as guessing what the markets will do next quarter. Our job is to find profitable companies at low prices, and to buy their shares as though we wanted to keep them forever. This last word is a big one. "Forever" is not really affected by one or two quarters. In the meantime, we profit from our companies' earnings, which keep accumulating no matter what the stock markets do.

But we are prudent. We don't know what will happen, but we believe that there is a lot of overcapacity in many industries, which will persist for a long time. We therefore stick to natural resources that are absolutely necessary (and self-depleting), utilities, re-insurance and insurance companies, and consumer and industrial goods where the barriers to entry are significant and our companies should enjoy decent margins (at least once the worst of the crisis is over) and pricing power (should inflation return). This is why we are confident that our Expected Return of more than 17% is realistic.

SIA News

Over the last quarter we have adjusted our expenses, which has basically meant separation from a number of our junior analysts. After a period of fast growth in personnel, we've come to view our ideal structure as relying more on senior analysts. We have of course retained some junior staff, for they do add a lot of value, but have re-emphasized seniority.

Together with other cost adjustments, this realignment of staff has ensured the company's profitability even at the current, depressed valuation levels. We are well capitalized to wait for as long as it takes to recover our previous volumes.

We will have our annual public presentations in Basel, Zurich, and Geneva on the 6th and 7th of May, and close to those dates in Paris, London and Madrid (to be announced in a few days). As always, we expect these to be an opportunity to share our investment philosophy with our investors, illustrated with specific examples.

New Funds' classes

It is well known that in a "boutique" fund management company like SIA, real profits come from performance fees, not from the management fees that just cover costs. We have a High Water Mark system, which means we don't charge performance fees until our funds' Net Asset Value equals the highest historical point. We plan certainly to keep that commitment, and we will never "reset" the High Water Mark: our investors can be sure of not paying any performance fees until their investment with us reaches the highest previous market value.

Obviously, this does not apply to any new money coming to the funds: it has no history, and therefore no High Water Mark. We have thus decided to close the current Classic and Alpha Funds to new money as of June 1st, 2009. Any money invested in those funds up to that point will pay no performance fees until the High Water Marks are reached, however long that takes. Any investments after that date will go to a new share class of each fund that will be identical to the old ones in all respects, but will be liable to performance fees. Once the old funds reach their High Water Marks, the new classes will be merged with the old ones. These are the details of the new Share Classes:

Table 3: LTIF Classic and Alpha – new Share Classes

Fund name	Currency	Launch Date	ISIN	Bloomberg	Telekurs
Long-Term Investment Fund (SIA) - Classic II EUR	EUR	31-May-09	LU0423699429	LTIFC2E	10'096'865
Long-Term Investment Fund (SIA) - Classic II USD	USD	31-May-09	LU0423699692	LTIFC2U	10'096'889
Long-Term Investment Fund (SIA) - Classic II CHF	CHF	31-May-09	LU0423699775	LTIFC2C	10'096'893
Long-Term Investment Fund (SIA) - Alpha II EUR	EUR	31-May-09	LU0423699858	LTIFA2E	10'096'895
Long-Term Investment Fund (SIA) - Alpha II USD	USD	31-May-09	LU0423699932	LTIFA2U	10'096'898
Long-Term Investment Fund (SIA) - Alpha II CHF	CHF	31-May-09	LU0423700029	LTIFA2C	10'097'000

In our opinion, this decision is not only fair and logical; it also shows our commitment to our business, which means our commitment to our investors. We plan to be here for the long term, and –if our results are as good as we’re convinced they will be– to earn a very decent return by doing so.

Figures of the USD classes

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

March 2008	NAV	Δ YTD	Δ 12m	Δ Inception	AUM (in mio)
LTIF Classic [USD]	175.28	-6.50%	-68.84%	95.96%	476.50
LTIF Alpha [USD]	149.47	3.16%	-43.64%	14.67%	89.96
LTIF Global Energy Value [USD]	80.67	3.93%	-66.53%	-39.22%	17.76
Global Mining Value Fund [USD]	43.56	11.92%	-74.59%	-67.49%	26.45
MSCI World Index TR (GDDUWI) [USD]	2'575.82	-11.78%	-42.19%		

Figure 16
LTIF – Classic USD

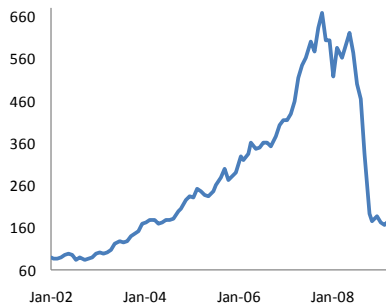


Figure 17
LTIF – Alpha USD

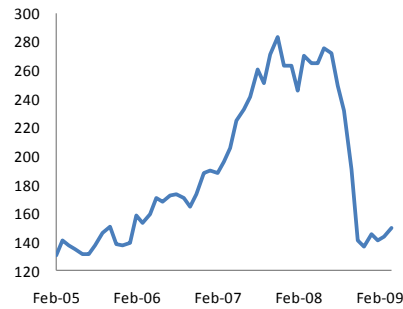


Figure 18
LTIF – Global Energy Value USD

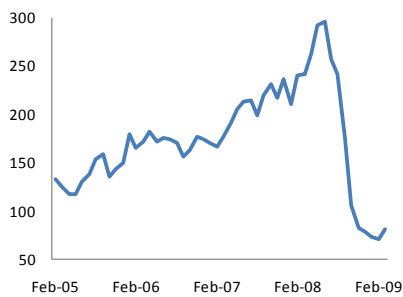
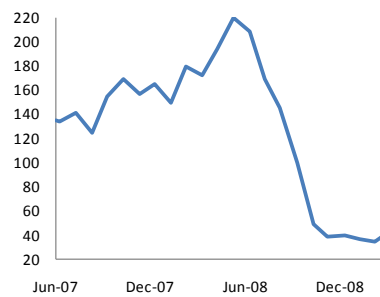


Figure 19
Global Mining Value Fund USD



Figures of the CHF classes

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

March 2008	NAV	Δ YTD	Δ 12m	Δ Inception	AUM (in mio)
LTIF Classic [CHF]	199.31	-0.11%	-64.18%	34.62%	541.80
LTIF Alpha [CHF]	169.96	10.20%	-35.21%	9.73%	102.29
LTIF Global Energy Value [CHF]	91.73	11.03%	-61.53%	-40.64%	20.19
Global Mining Value Fund [CHF]	49.53	19.57%	-70.79%	-70.20%	30.07
MSCI World Index TR (GDDUWI) [CHF]	2'928.85	-5.76%	-33.54%		

Figure 20
LTIF – Classic CHF

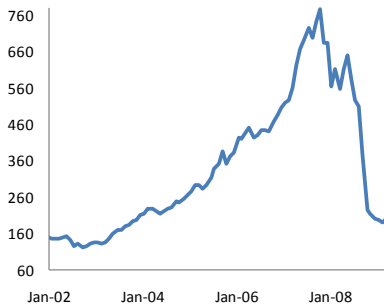


Figure 21
LTIF – Alpha CHF

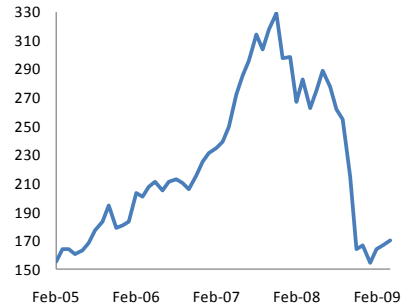


Figure 22
LTIF – Global Energy Value CHF

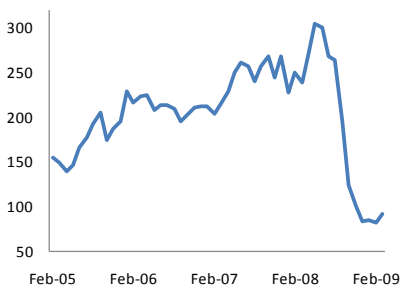
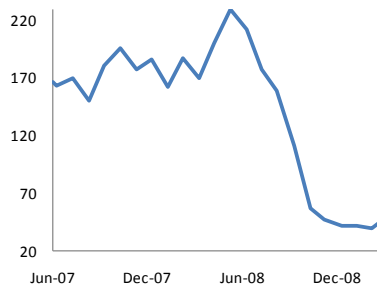


Figure 23
Global Mining Value Fund CHF



Legal Notice - Luxembourg

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 organised 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 EUR

ISIN: LU0244071956
Telekurs: CH2432569
Bloomberg: LTIFCLA LX

LTIF – Classic USD

ISIN: LU0301247077
Telekurs: CH3101820
Bloomberg: LTIFCLU LX

LTIF – Classic CHF

ISIN: LU0301246772
Telekurs: CH3101817
Bloomberg: LTIFCLC LX

LTIF – Alpha EUR

ISIN: LU0244072178
Telekurs: CH2432573
Bloomberg: LTIFALP LX

LTIF – Alpha USD

ISIN: LU0301247150
Telekurs: CH3101828
Bloomberg: LTIFALU LX

LTIF – Alpha CHF

ISIN: LU0301246855
Telekurs: CH3101824
Bloomberg: LTIFALC LX

LTIF – Global Energy Value EUR

ISIN: LU0244072335
Telekurs: CH2432575
Bloomberg: LTIFGEV LX

LTIF – Global Energy Value USD

ISIN: LU0301247234
Telekurs: CH3101839
Bloomberg: LTIFGEU LX

LTIF – Global Energy Value CHF

ISIN: LU0301246939
Telekurs: CH3101836
Bloomberg: LTIFGEC LX

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: CH3183766
Bloomberg: GMVFEUR LX

GMVF-Global Mining Value USD

ISIN: LU0305469545
Telekurs: CH3183768
Bloomberg: GMVFUSD LX

GMVF-Global Mining Value CHF

ISIN: LU0305470048
Telekurs: CH3183771
Bloomberg: GMVFCHE LX

Administrator:

Pictet & Cie (Europe) S.A.
1, Boulevard Royal
L-2449 Luxembourg
Luxembourg

Investment Manager:

SIA Funds AG
Parkweg 1
CH-8866 Ziegelbrücke
Switzerland

Custodian:

Pictet & Cie (Europe) S.A.
1, Boulevard Royal
L-2449 Luxembourg
Luxembourg

Registered Office:

1, Boulevard Royal
L-2449 Luxembourg
Luxembourg

Legal Notice - Switzerland

Performance up to 30.09.06 is that of the LTIF BVI Fund, restated in CHF, of which the LTIF Stability is an identical successor. Previous performance is audited by Ernst & Young. Reports are available from SIA Group. Past performance is no guarantee of future trends.

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.

LTIF – Stability

ISIN: CH0026389202
Telekurs: CH2638920
Bloomberg: LTIFSTA SW

Administrator:

Pictet Funds S.A.
Route des Acacias 60
CH-1211 Geneva 73
Switzerland

Investment Manager:

SIA Funds AG
Parkweg 1
CH-8866 Ziegelbrücke
Switzerland

Custodian:

Pictet & Cie
Route des Acacias 60
CH-1211 Geneva 73
Switzerland