



Strategic Value Investing Thinking and Investing like an Owner

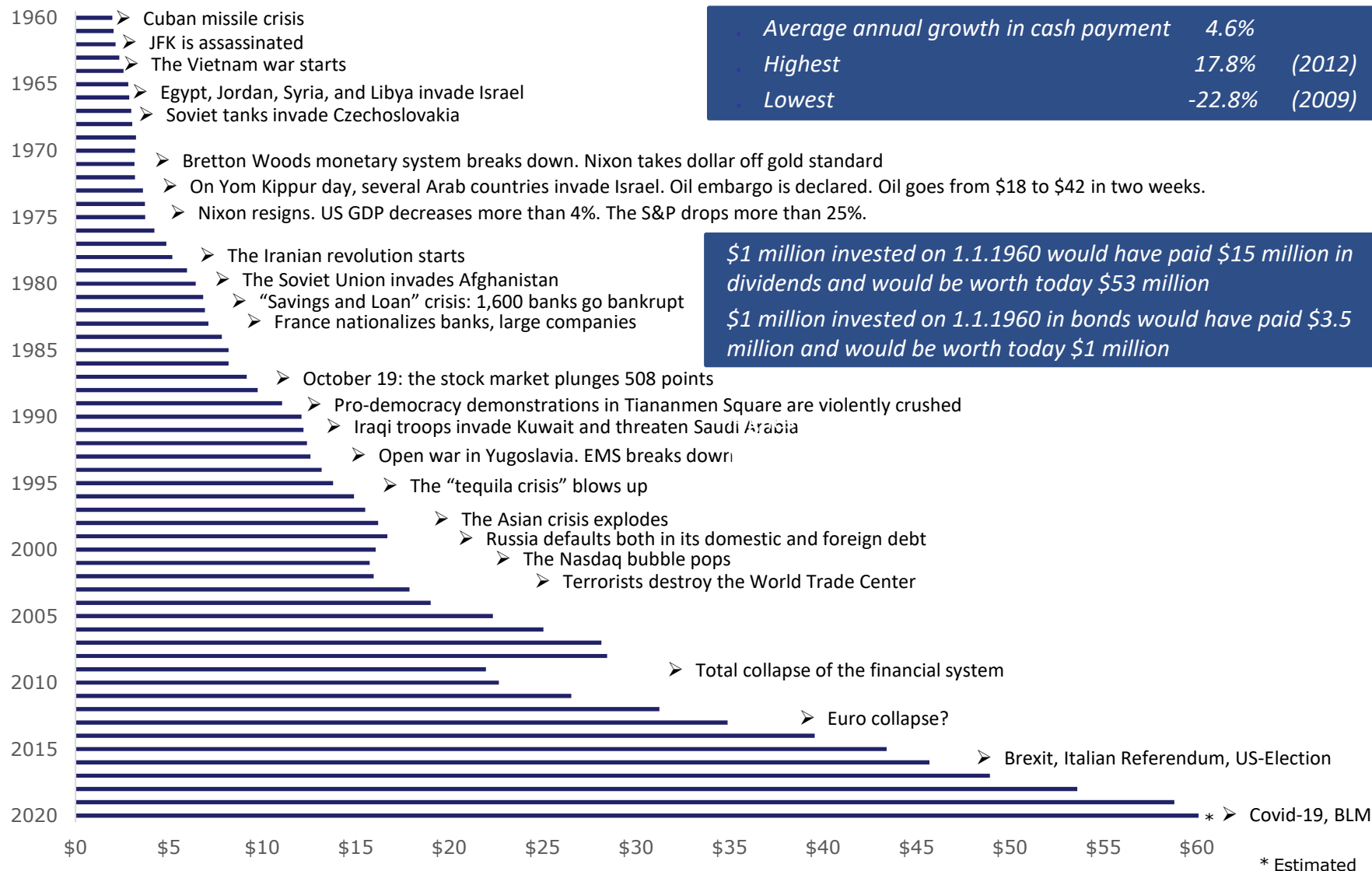
September 2020

- **Think and act like an owner**
- What is a good company
- Our investment process on a company basis: Three cases
- Portfolio construction, expected returns and owner's reporting
- An update on Natural Resources
- Value Investing with Values
- Appendix 1: our funds

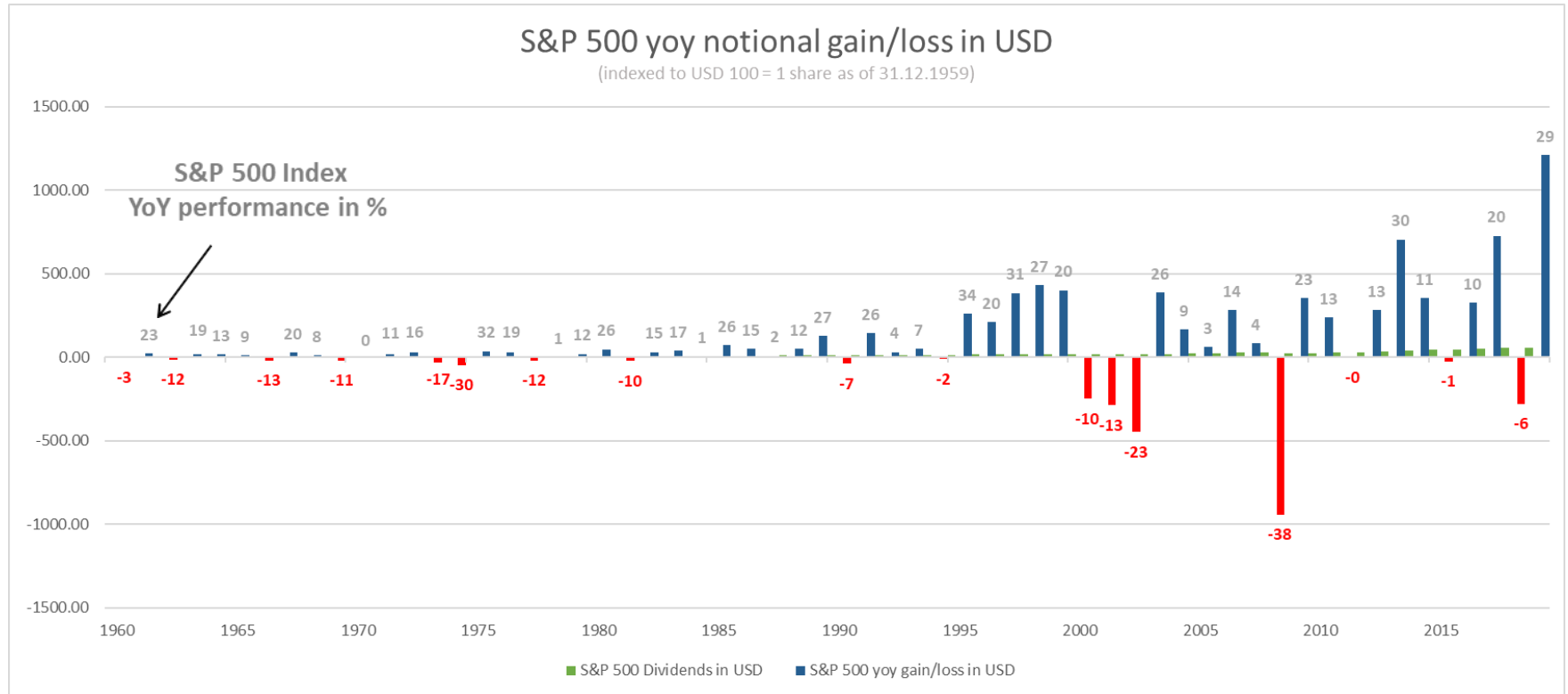
Key message: if approached as a business owner, equities can be a high return, low risk investment.

- We are investors in business, want to make money by making our capital bear fruit
- Difference between investing and speculating
 - Investing: Acceptably profitable income streams
 - Speculating: Assets that will go up
- Both can be highly profitable
- We only do the first

Cash dividends paid by S&P 500, per share



But the volatility can be deadly for the naive investor



Below all the noise, shares are real assets

So basically **we buy good companies at inexpensive prices or extremely cheap companies**. Bad businesses are usually toxic at almost any price.

- We don't look for "shares that will go up"
- We neither "play the markets" nor look for "catalysts" or in any way put our investors' money in the hands of future price movements
- We never "chase" the markets. We use markets' prices as opportunities to buy or sell. We never act on a view on what the markets will do, because we don't know

WE BUY BUSINESSES, NOT SHARES

We force ourselves to think as owners

*"It happens, however, that the energies and skill of the professional investor and speculator are mainly occupied otherwise. **For most of these persons are, in fact, largely concerned, not with making superior long-term forecasts** of the probable yield of an investment over its whole life, but with foreseeing changes in the conventional basis of valuation a short time ahead of the general public.*

They are concerned, not with what an investment is really worth to a man who buys it for "keeps", but with what the market will value it at, under the influence of mass psychology, three months or a year hence."

JM Keynes, The general theory of employment, interest, and money, 1936

- Quoted Equity facilitates enormously diversification across sectors, sizes, and geographies. By definition all quoted stocks are available for investment, only limited in practice by investor's size. Transactions costs (for a long-term investor) are negligible.
- On the other hand, Private Equity is very limited in its targets by geography, size, and availability. Transactions costs are extremely high.
- In addition, Public Equity offers excellent liquidity, which is very important when planning long-term.

- Private Equity is sometimes seen as “less volatile” than Quoted Equity, and therefore as having a better risk/reward profile
- But volatility is not the same as risk, and Quoted Equity is actually less risky than Private Equity, often with better long-term returns when risk adjusted
- It is essential to understand the difference between “profits” and capital appreciation

“Making money while the market drops”

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- A “good company” for us is one that delivers a return on equity well above its cost of capital, adjusted by risk, over the cycle
- This only happens when companies’ profits are protected by barriers to entry, i.e., ***when supply has structural difficulties to follow demand:***
 - Economies of scale
 - Privileged access to raw materials or clients
 - Proprietary products or processes
 - Reputation effects
 - Long lead times to add capacity
- In the end, companies earn returns above their cost of capital only if they are somehow protected from full competition
- To determine if that will be the case, a thorough understanding of the competitive dynamics of the sector is necessary
- **This is essential to avoid value traps: for instance, European banks, utilities, & telecom in the last few years...**

What is a good company

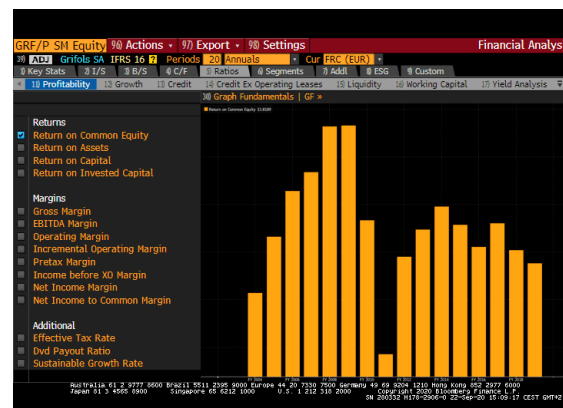
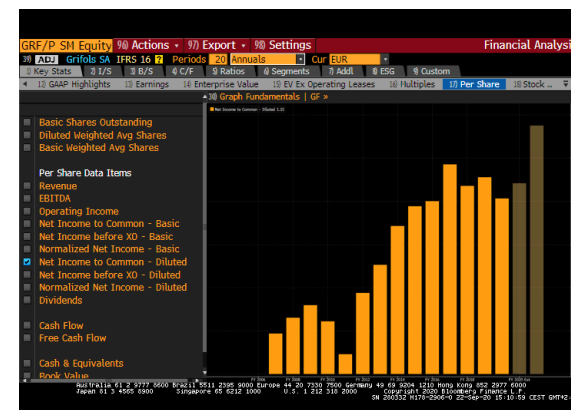


Company

Since 1909, Grifols has worked to improve the health and well-being of people around the world.

Our business is organized into four divisions: Bioscience, Diagnostic, Hospital and Bio Supplies.

The market enjoys secular growth, but has big cyclical investment needs



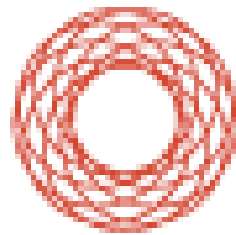
The height of its barriers to entry allows for high returns, even in periods of high investment

2021PE < 12

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Investment case 1. DEVRO



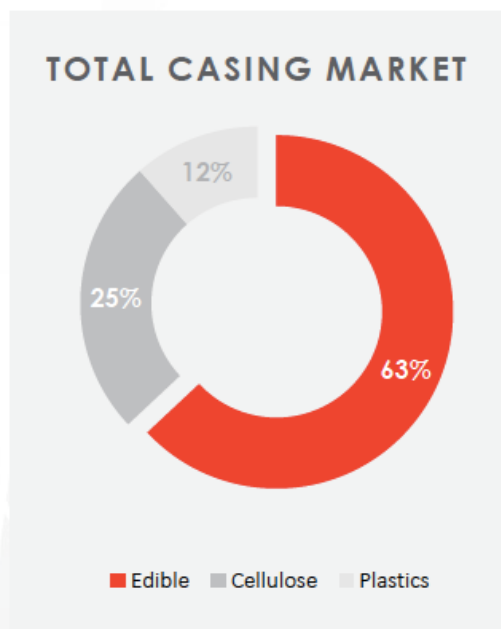
DEVRO



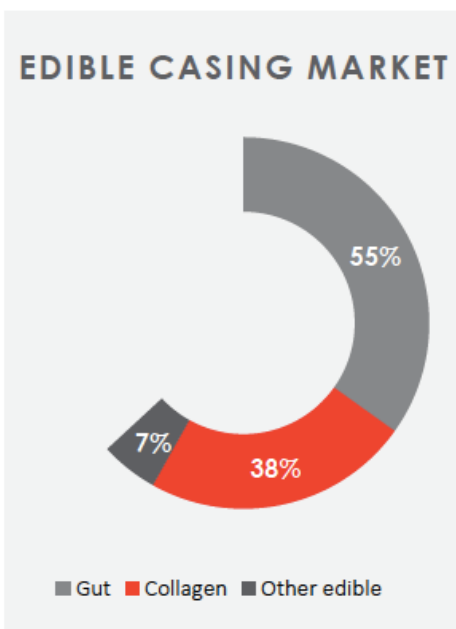
- 85 years of history
- Produces collagen casing mainly used for sausages
- Leading position, n°2 in the edible collagen casing worldwide
- Mid-single digit growth with very decent margins
- Good returns but the company had some issues



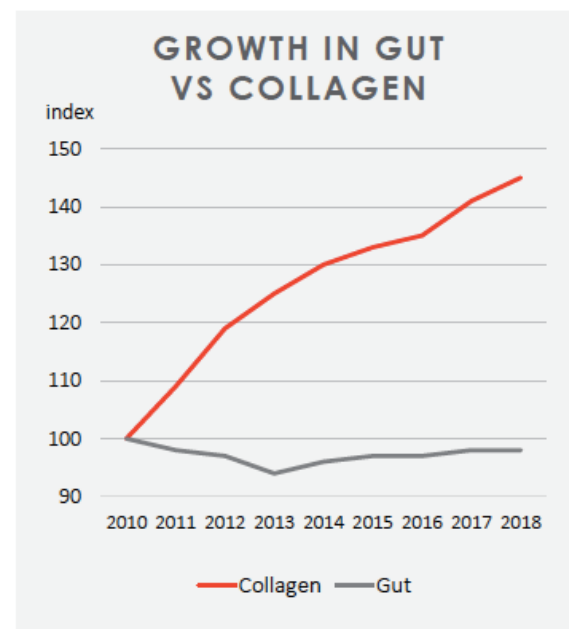
A niche market



Capital Markets Day



Source: Devro plc Market Intelligence



- Total market EUR 3bn. Collagen EUR 1.5bn

Market grows 2-4% per year, Devro could do better

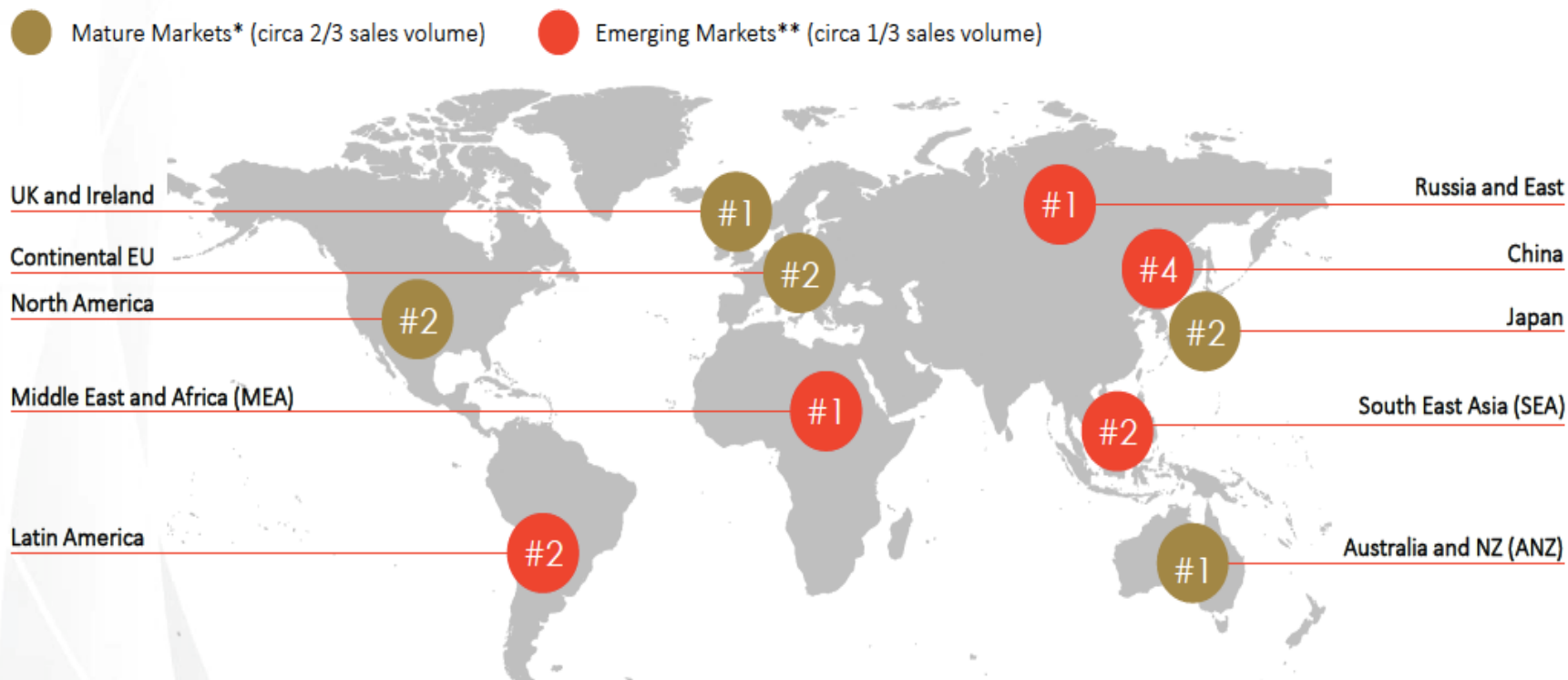
Long-term market growth outlook for edible collagen casings 2-4% pa. global growth



DEVRO IS WELL PLACED TO CAPTURE GROWTH

- Underlying market growth estimated at 2-4% p.a. globally
- Increasing protein consumption, driven by urbanisation and higher living standards
- Continued opportunity for gut conversion

Leading position in most markets

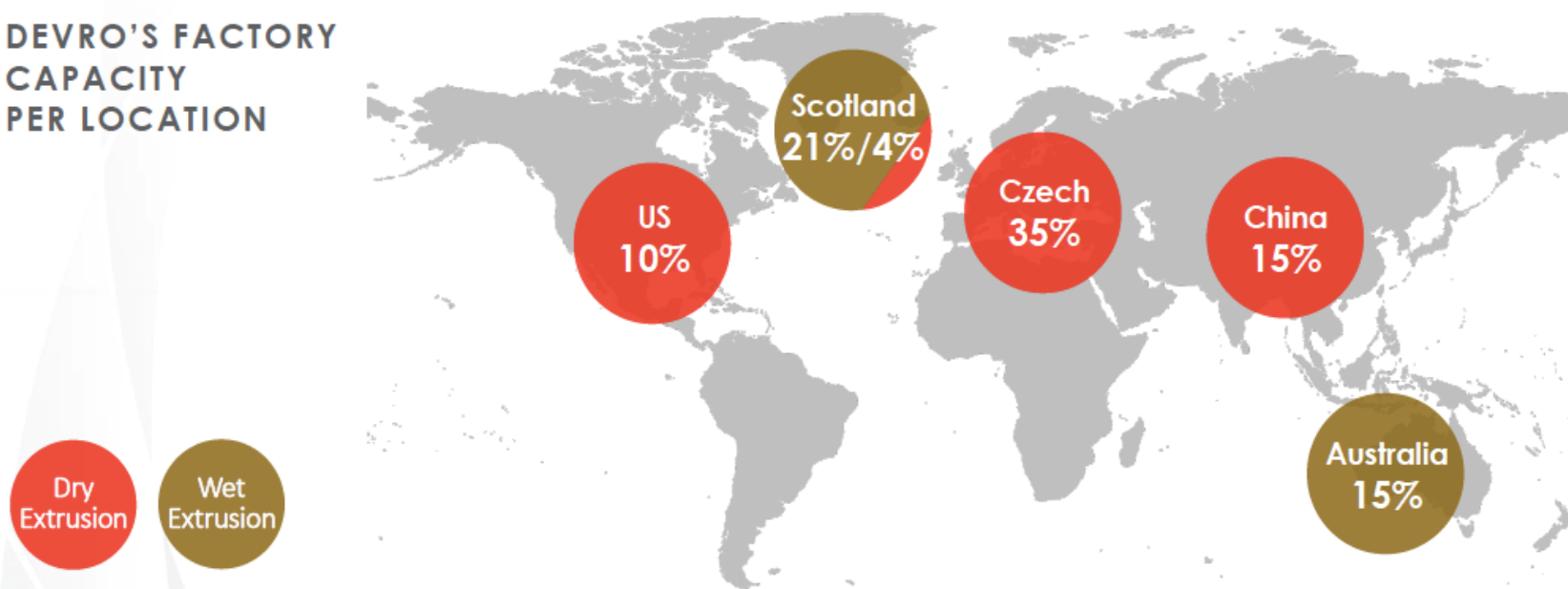


*Devro mature markets include: North America, Continental EU, UK & Ireland, Japan and Australia & NZ

**Devro emerging markets include: Latin America, Russia & East, Middle East & Africa, South East Asia and China

Devro global manufacturing footprint

DEVRO'S FACTORY
CAPACITY
PER LOCATION



ENOUGH CASING TO CIRCLE THE EARTH MORE THAN 80 TIMES

Why is Devro a good company?

- ✓ **Leading** position in a **niche market**
- ✓ **Oligopolistic** structure and a disciplined leader (Viscofan)
- ✓ Economies of scale in production (and commercial) leading to a **cost advantage**
- ✓ Small ticket per unit & “helps” the client yield leading to **high switching costs** and ricing power
- ✓ Production know-how. **Intellectual Property entry barrier**



Why is Devro a good investment?

- **Growth:** can grow sales 4-5% p.a.
- **Margins:** The company has high margins (EBITDA 25%-26%) and they are sustainable
- **Historical median ROIC (25Y) is 13%** and our model suggests that convergence ROIC is 14-15%
- **Balance Sheet looks good:** no concern on liquidity or maturities as net debt is GBP 125mn, which compares with an EBITDA of around 60-65m GBP (2x vs. 1.5x target) and 5.5x interest coverage



Why is Devro a good investment?

- **PER 2020/21E: 10x/9x (historical median 15x 25y)** EV/EBITDA 20/21 around 6x, 5% dividend yield.
- Converged Free Cash Flow of c. GBP 30mn for 2021 i.e. **10% Free Cash Flow Yield**
- **We do a 360° valuation:** apply median PE, EV/EBITDA, DCF at 10% discount, EV/IC and P/Book and we obtain an IV of 240p p.s., with an IRR of 13-14%
- **Why is it cheap?** Managerial mistakes before 2016, small, illiquid, few analysts
- **Viscofan?**



Investment case 2. WIENERBERGER



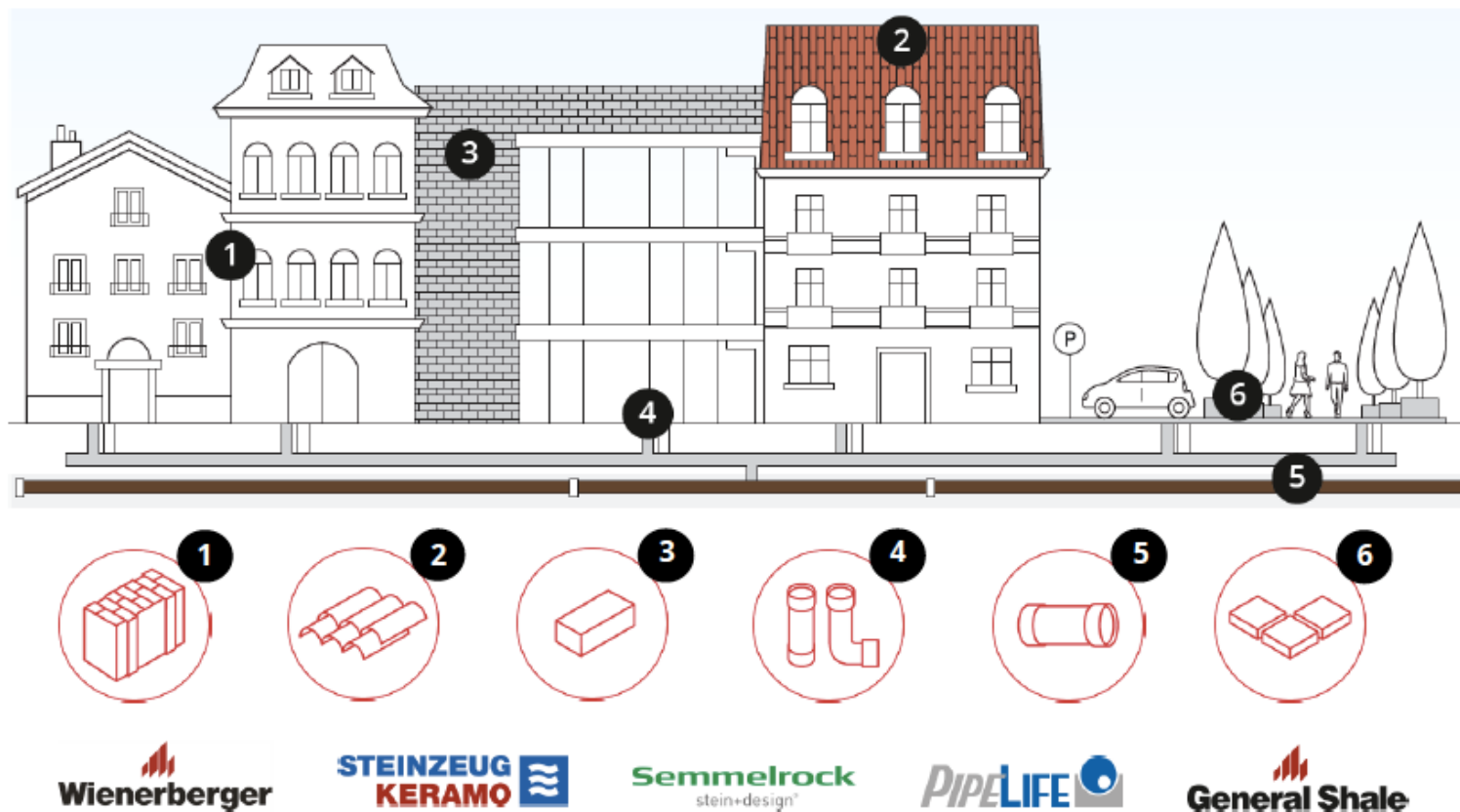
Wienerberger



- 100 years of history
- European leader in building materials
- Growth linked to nominal GDP growth, around 3% per year
- Good margins and decent returns but the business is cyclical
- Excellent management



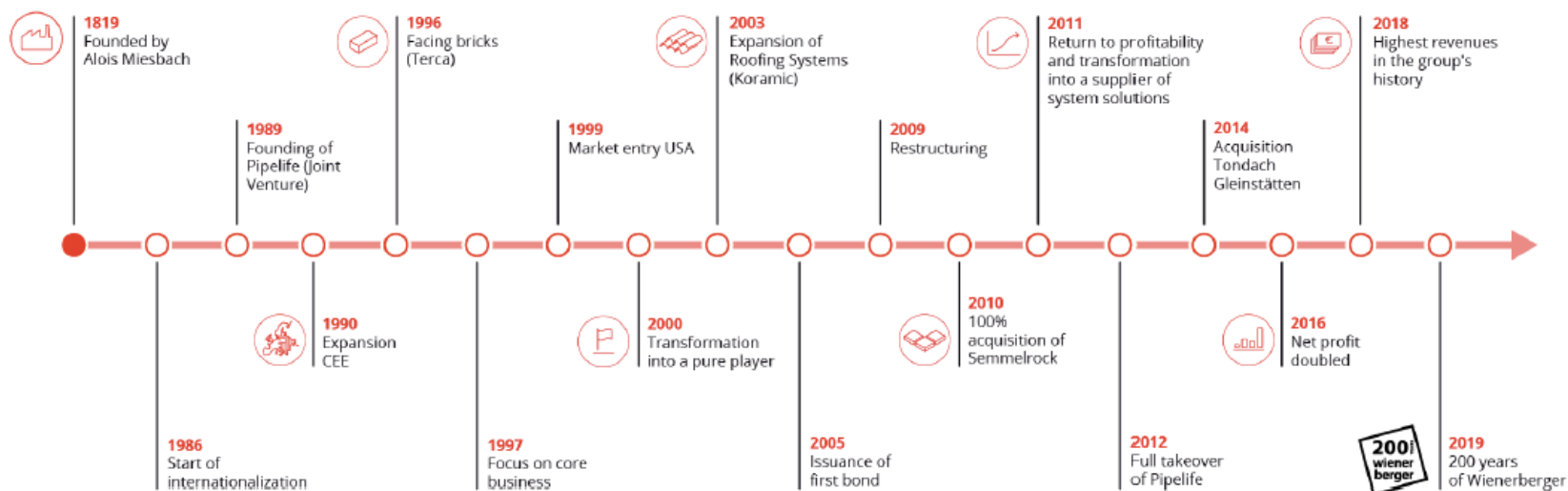
Building materials and building solutions



10 years after the GFC

History of the Wienerberger Group

wienerberger



Quick snapshot on the company



17,234
employees



Record revenues of
€ 3.5 billion



201 production sites
in **30** countries



EBITDA of
€ 587 million



6 product groups for
building material solutions



100%
free float company

Strategy is crystal clear

Our Strategy for Success with a Clear Commitment to Sustainability

wienerberger



Why is Wienerberger a good company?

- ✓ **Building materials is a local business** and Wienerberger has a multi-local approach
- ✓ **Cost advantage** thanks to its fab. and client services proximity
- ✓ **Increasing weight of intellectual property** in processes, technology and energy transition



Why is Wienerberger a good investment?

- **Growth:** linked to nominal GDP growth, around 3-4% per year
- **Decent margins and returns:** EBITDA margin of 17%, ROIC 19 of 10.5% & ROE de 14%
- **Excellent management** focused on returns and aligned with minority shareholders
- **Sound balance sheet** and liquidity



Why is Wienerberger a good investment?

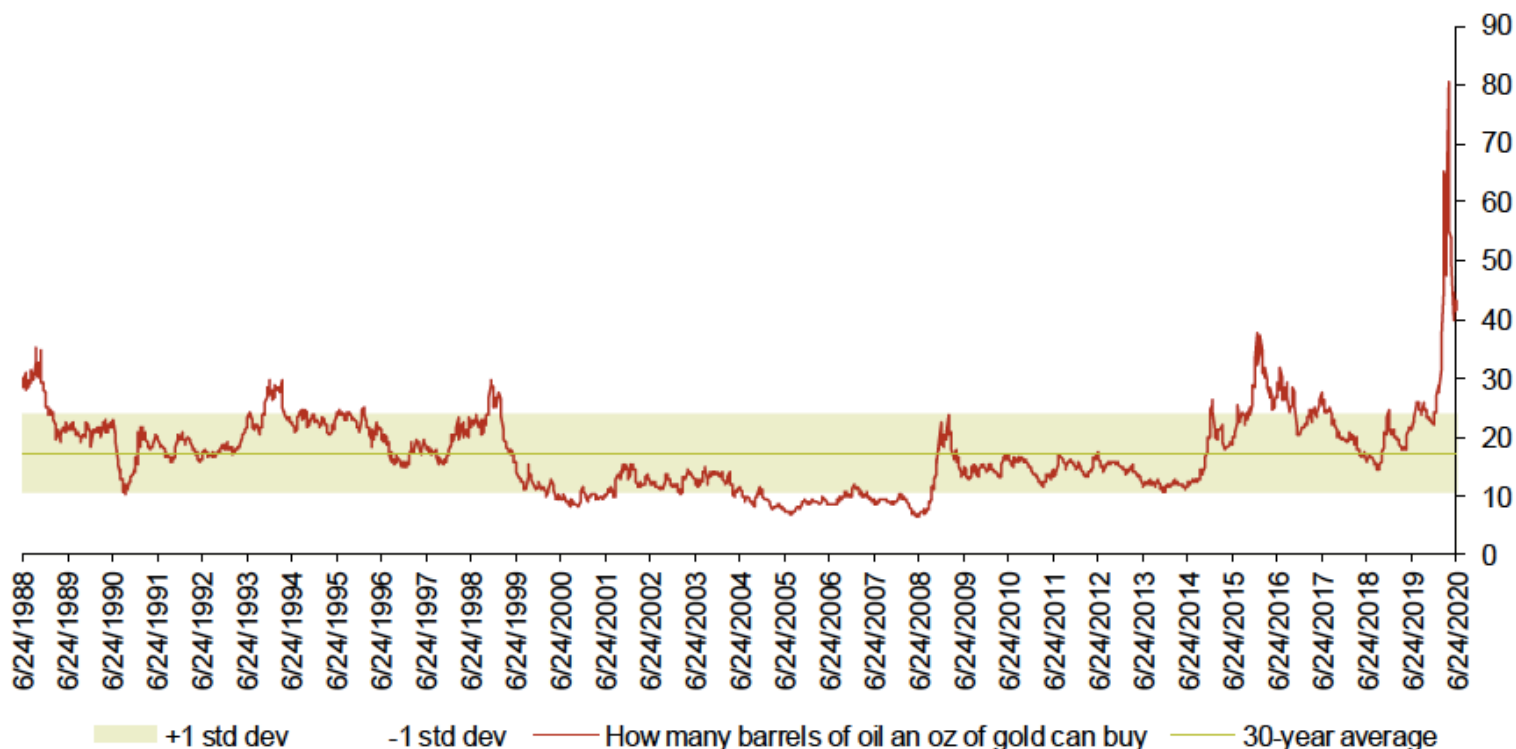
- **WIE AV fell 60% in 3 weeks** back in March20
- **PER 2021E: 12x (historical median 16x 30y) EV/EBITDA**21 around 6.5x, 2.5% dividend yield
- Converged Free Cash Flow of c. EUR 300mn for 2021 i.e. **10% Free Cash Flow Yield**
- **We do a 360° valuation:** IV of EUR 30p p.s. & IRR of 14%
- **Why is it cheap?** Cyclical business, fear Covid19 crisis



Investment case 3. SUNCOR



Gold to Oil ratio at all time high, 80 bbl. per oz.



Source: Bloomberg; Bernstein analysis

Oil is the cheapest ever



Source: USGS; BP; Bloomberg; Bernstein analysis

Oil/Energy is extremely low/cheap levels

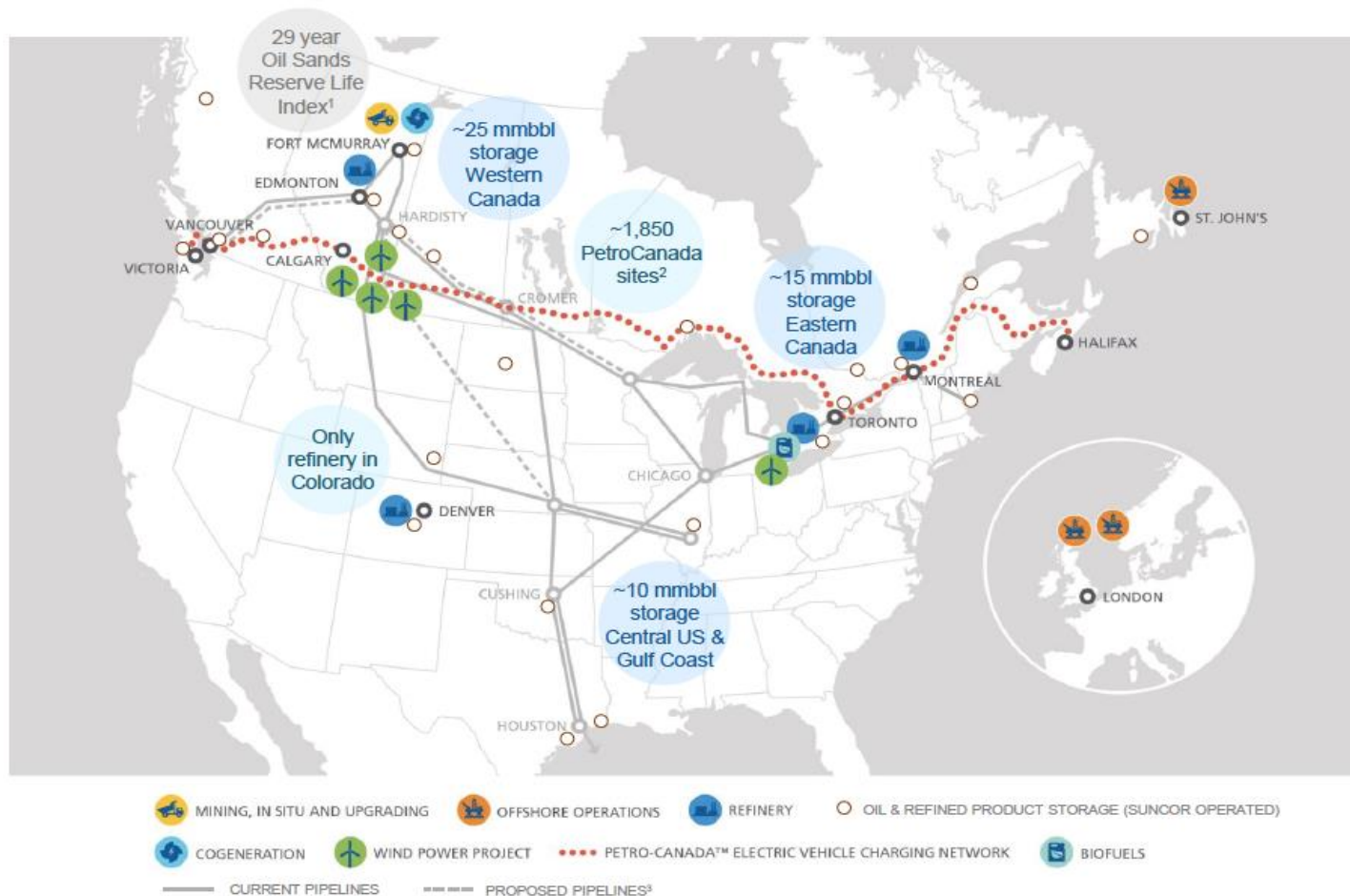


Suncor is a high quality company

- Leading oil sands company with an massive invested capital 55bn US\$
- Good assets mainly in Canada & some international. 50 years of reserves with low declines
- 800,000 b/d production capacity
500,000 b/d mining, 200,000 b/d in-situ and 100,000 conventional
- Integrated business model with 5 upgraders and 4 refineries
- Excellent management team, good business but cyclical



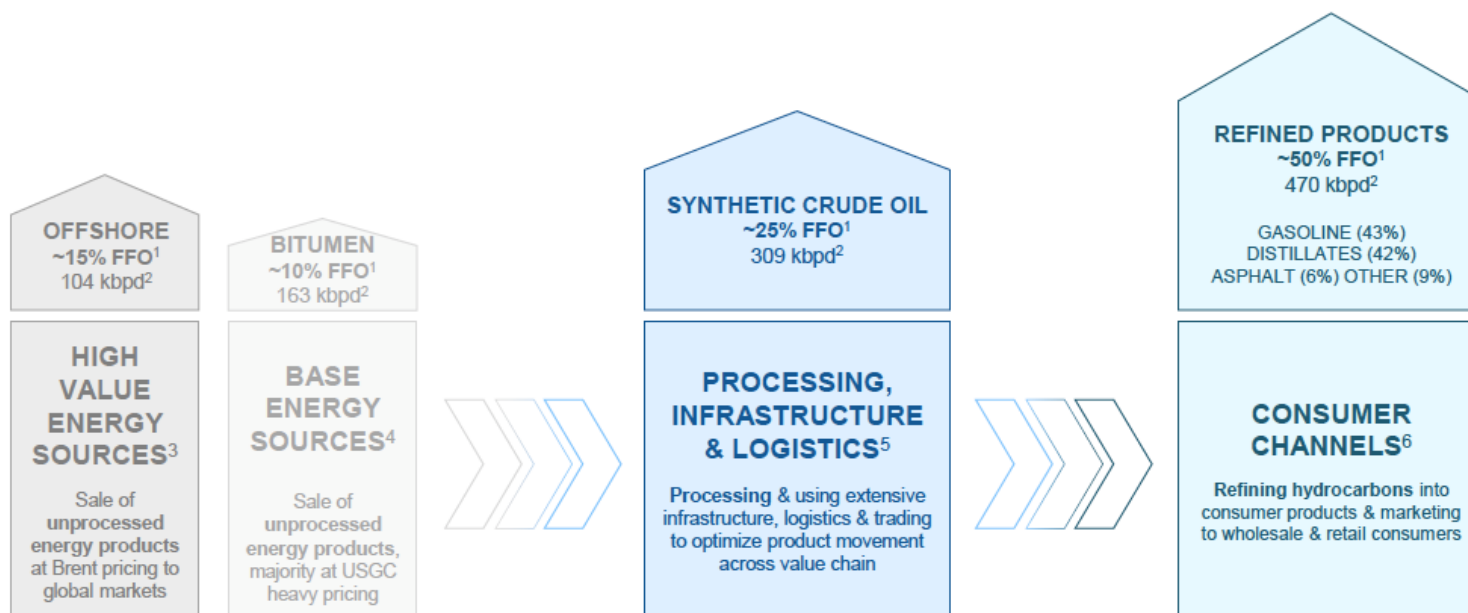
Suncor's footprint & market access



Integration is a competitive advantage

Integrated Model

2018 / 2019 AVERAGES OF PRODUCTS SOLD TO MARKET



PHYSICAL INTEGRATION STRATEGY

Agile & informed model to capture margin by processing & moving energy across the value chain

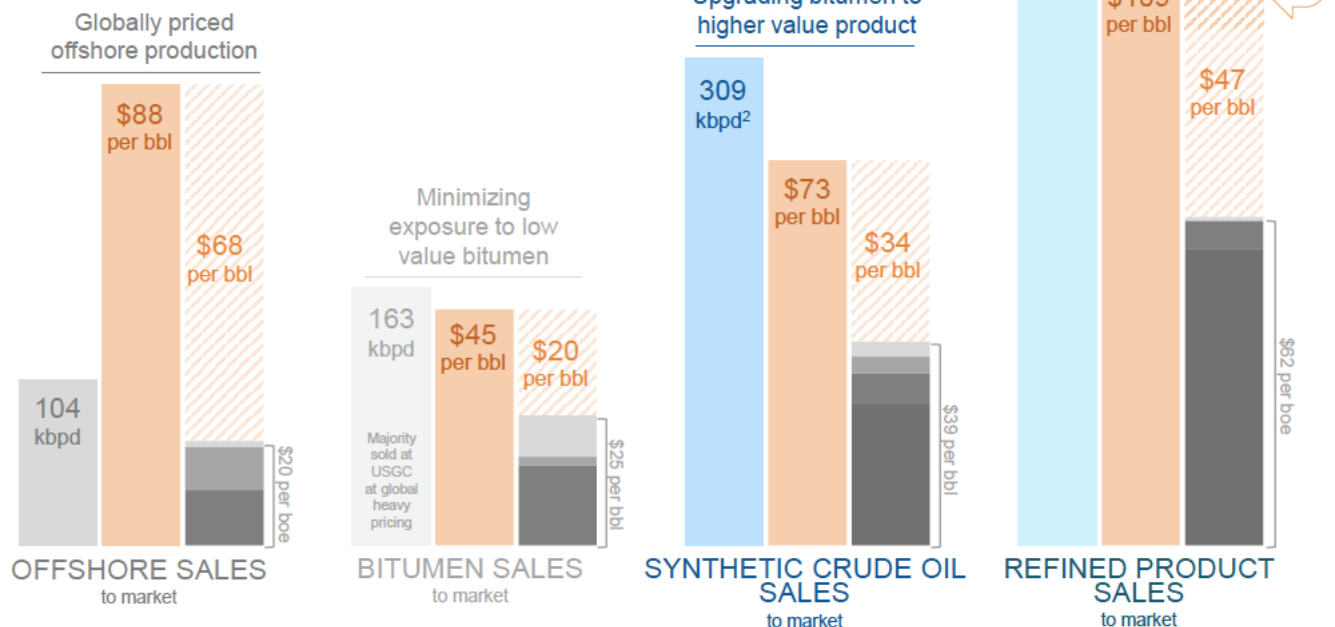
Integration helps pricing and resiliency

Asset Value Maximization

2018 / 2019 AVERAGES¹ (\$CAD)

(Refer to pages 36 - 39 in Supplemental IR Deck for full reconciliation)

■ Product Value ■ Transportation Cost
▨ Product Margin ■ Processing Cost
■ Royalty Cost ■ Feedstock Cost



MAJORITY OF PHYSICALLY INTEGRATED VOLUMES

Prepared for downturns

2020E FFO Breakeven on \$USD WTI Pricing⁷

Assumes USD WTI/bbl & \$12/bbl NYH 2-1-1 refining crack;

2020E FFO Breakeven estimates are inclusive of dividends, sustaining capital & enterprise operating costs incurred in Q1 2020

<\$25/bbl WTI

covers total enterprise
operating costs

~\$30/bbl WTI

covers total enterprise
operating costs
+ sustaining capital

~\$35/bbl WTI

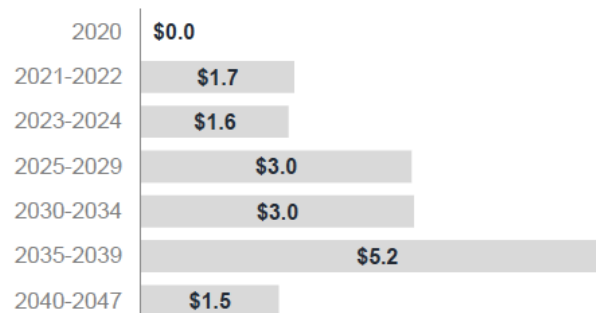
covers total enterprise
operating costs
+ sustaining capital
+ dividend

Balance sheet resiliency is a must

Strong Liquidity & Financial Position

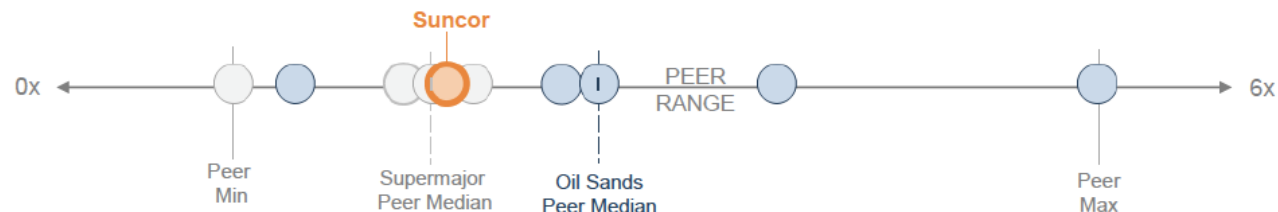


Manageable debt maturity profile¹ (C\$ billion – as of June 30, 2020)



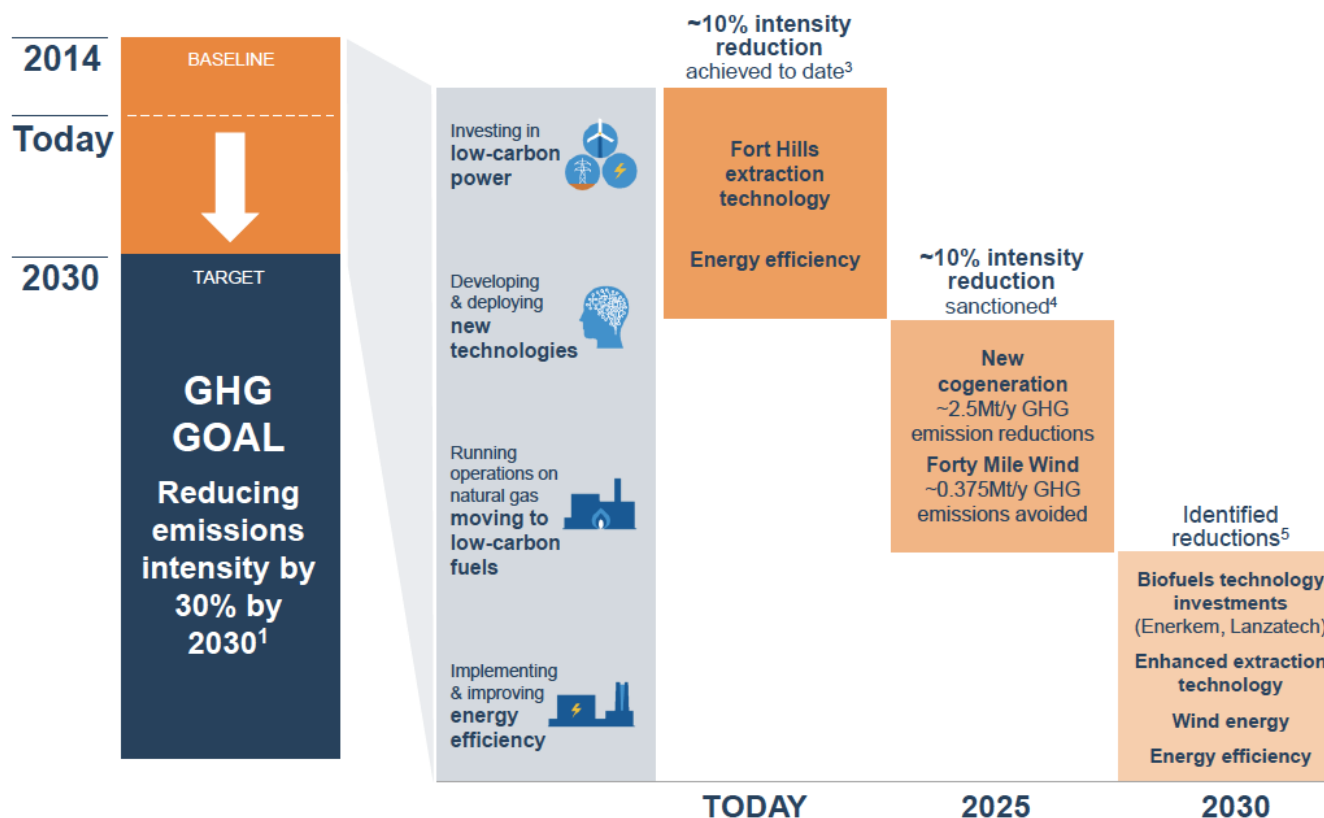
Net debt to FFO²

Suncor demonstrates financial responsibility among peers



Heavily committed to cut emissions

Advancing Low Carbon Energy



Why is Suncor a good company?

- **Good assets and long life reserves** in a sector where exploration is increasingly difficult
- **Resiliency:** the company can withstand downturns thanks to its integrated model and a strong balance sheet
- **Spending /cost culture:** focus on costs/returns and maximizing value for shareholders is evident in its financial targets
- We like to be co-investors with **Mr. Warren Buffett**



Why is Suncor a good company/business?

- ✓ **Growth potential:** at higher oil prices SU can easily accelerate growth to mid single digit levels
- ✓ **Good margins and returns.** At oil 60\$ the company generates ROIC of 10-12%. No need to explore
- ✓ **Excellent management,** fully aligned with shareholders.
- ✓ **Sound balance sheet** which is a must in this industry due to the cyclicity and severe downturns



Why is Suncor a good investment?

- **SU share is down 50%** ytd from 40-45 C\$ and is at 18C\$
- **The stock trades at 0.7x EV to IC** vs. historical range (1,1x-1,8x) and 1,3x median
- **SU trades just below book** and the historical range has been (1,1x-2x) with 1,4x median
- Free Cash flow of 4.5bn \$ 60\$ oil vs a market cap. of 27bn \$. **17% FCF Yield**
- In our scenario of oil prices at 50\$ by the end of 20 and 60\$+ by the end of 21, Suncor is an excellent investment. **Equity IRR 20% & Intrinsic Value CAD 50 per share**









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Key message: if approached as a business owner, equities can be a high return, low risk investment.

We start our portfolio construction by determining the “risk-free” stocks’ Expected Return

- Step 1: determine the category of stocks with the least fundamental risk (Traffic Light Test):

- Technological  (if the technology will hardly change green other vice orange or red)
- Business  (if the business is extremely stable green other vice orange or red)
- Cycle  (if hardly any Cycle green other vice orange or red)
- Forex  (if they produce globally but usually where they sell green other vice orange or red)
- Regulation  (if low influence green other vice orange or red)
- Financial  (if almost no debt green other vice orange or red)

- This stock should have a relatively certain Expected Return
- Step 2: determine the stocks’ Expected Return
- Step 3: Determine the appropriate Return Spreads for the different levels of risk

After determining the “risk-free rate of return”, we determine the necessary spreads for all other levels of risk

| SIA Risk Category | 1 | 2 | 3 | 4 |
|--------------------------------------|---|---|---|---|
| <i>(1 = low Risk; 4 = high Risk)</i> | | | | |

- Category 1: “risk-free stock”: 10%
- Category 2: solid, non-cyclical companies: 12%
- Category 3: solid, cyclical companies: 14%
- Category 4: special situations: 16%

These are entry returns. If the return decreases noticeably, because of share price appreciation or long-term business deterioration, the stock becomes a candidate for a sale.



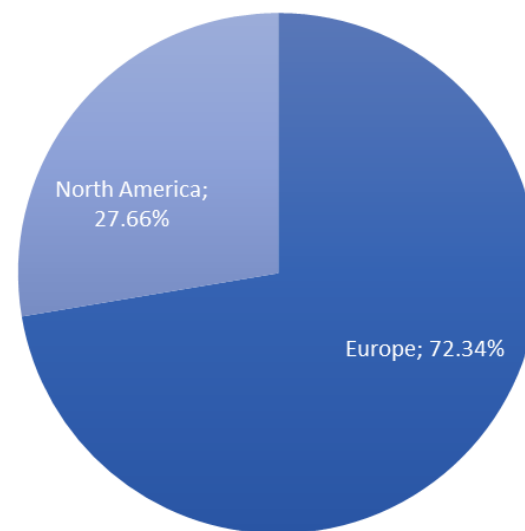
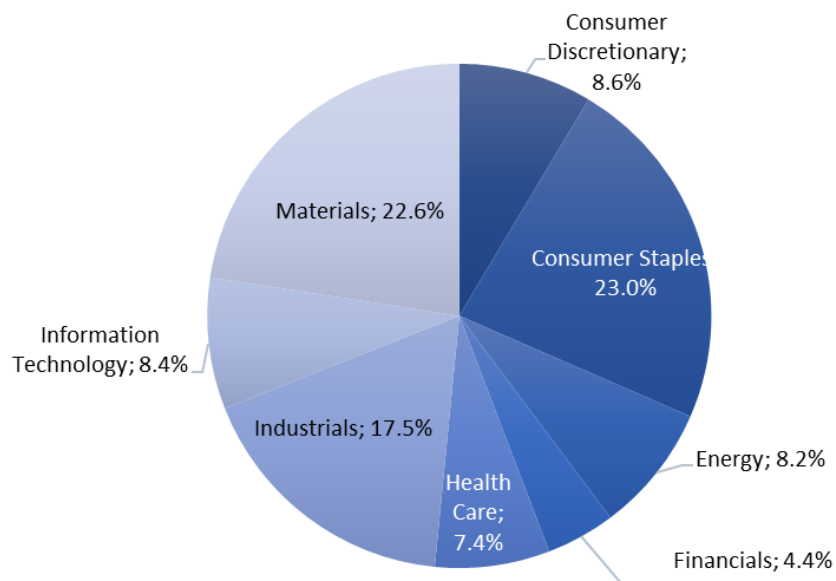
An adequate mix of categories helps us keep a balanced portfolio

We expect double digit returns for the future

Table with category 1, 2, 3, 4, with their expected returns, as well as the total of the portfolio of the LTIF Classic
(as of 31th July 2020)

| Category | Equity | E(r) |
|----------------|---------------|--------------|
| 1 | 19.8% | 12.0% |
| 2 | 27.5% | 14.7% |
| 3 | 44.4% | 17.8% |
| 4 | 8.4% | 28.5% |
| Overall | 100.0% | 16.7% |

Portfolio composition, by SIA sector classification & Regions for the LTIF Classic (as of 31th July 2020)



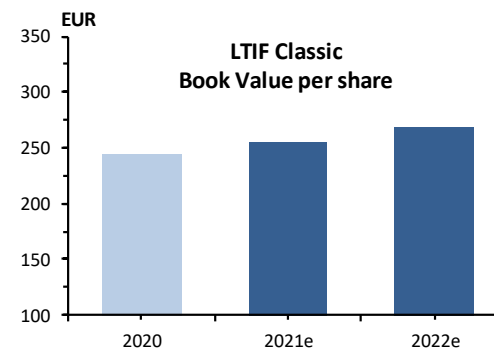
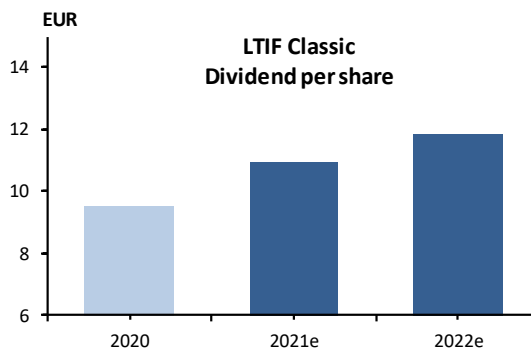
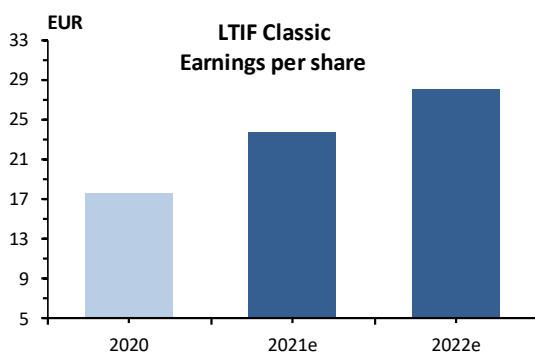
Reporting LTIF Classic as of 29.05.2019 (aggregated data in EUR)

| Date | NAV | % |
|------------|-------|--------|
| 31.12.2018 | 348.2 | -14.8% |
| 31.12.2019 | 434.2 | 24.7% |
| 29.05.2020 | 328.3 | -24.4% |

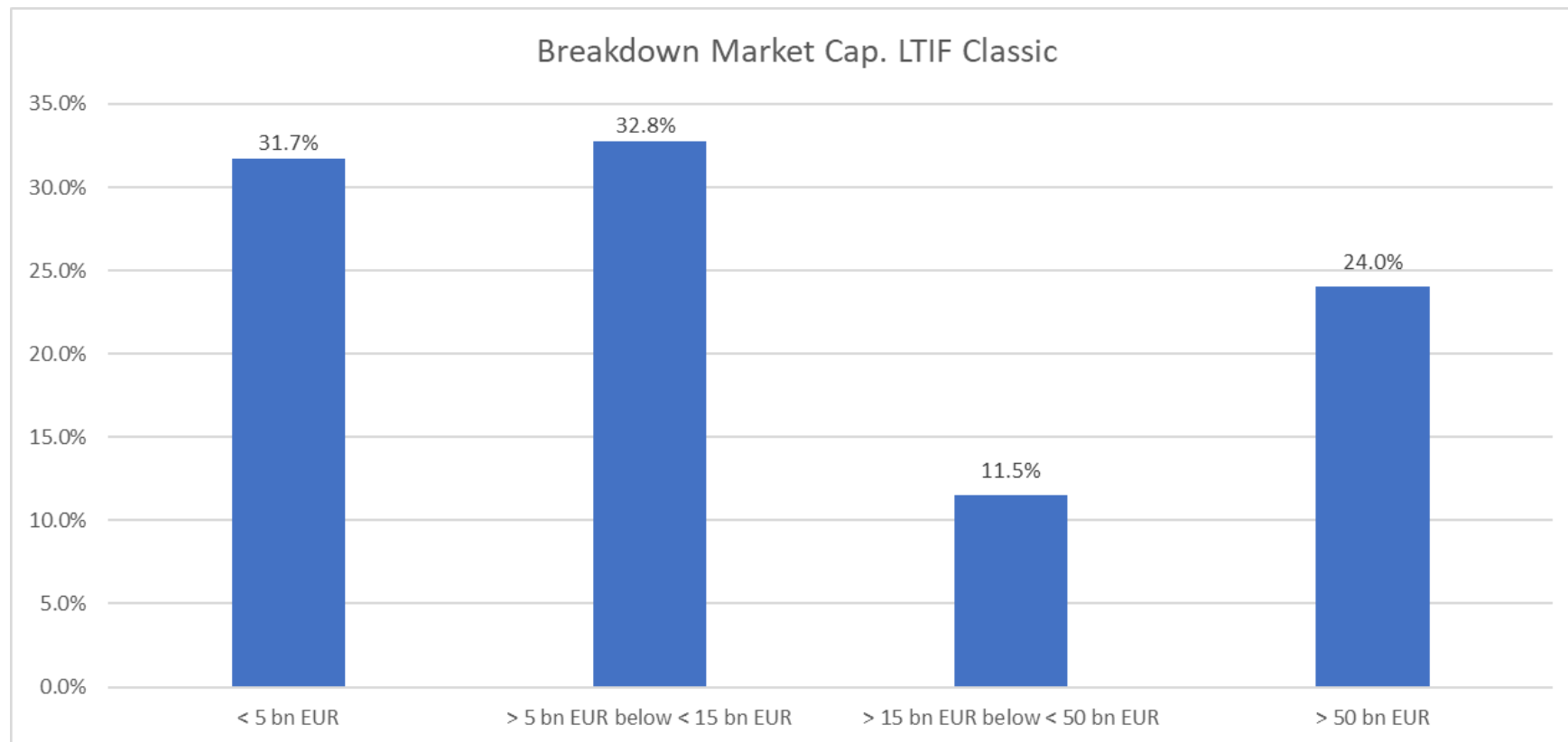
| Year | EPS | % | P/E | EPS yield | MSCI World P/E | MSCI World EPS yield |
|-------|------|-----|------|-----------|----------------|----------------------|
| 2020 | 17.6 | | 18.7 | 7.2% | 21.9 | 4.8% |
| 2021e | 23.7 | 35% | 13.8 | 7.2% | 17.5 | 5.7% |
| 2022e | 28.1 | 18% | 11.7 | 8.5% | 15.2 | 6.6% |

| Year | DPS | % | Div. Yield | MSCI World Div. Yield |
|-------|------|-----|------------|-----------------------|
| 2020 | 9.5 | | 2.9% | 2.4% |
| 2021e | 11.0 | 15% | 3.3% | 2.5% |
| 2022e | 11.9 | 8% | 3.6% | 2.6% |

| Year | BPS | % | P/B | MSCI World P/B |
|-------|-------|----|-----|----------------|
| 2020 | 244.2 | | 1.3 | 2.3 |
| 2021e | 255.3 | 5% | 1.3 | 2.2 |
| 2022e | 268.7 | 5% | 1.2 | 2.1 |



Source: SIA Group / Bloomberg



- Target of double digit returns
- Extremely low fundamental risk: “don’t lose money”
- Owner approach to investing: long-term, focus on profit growth and not share price movements
- Balanced portfolio across risk levels

SIA adds value by taking a long-term approach, applying strategic analysis and discriminating opportunities from value traps

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GSCI/S&P500 Ratio: As cheap as it can get?

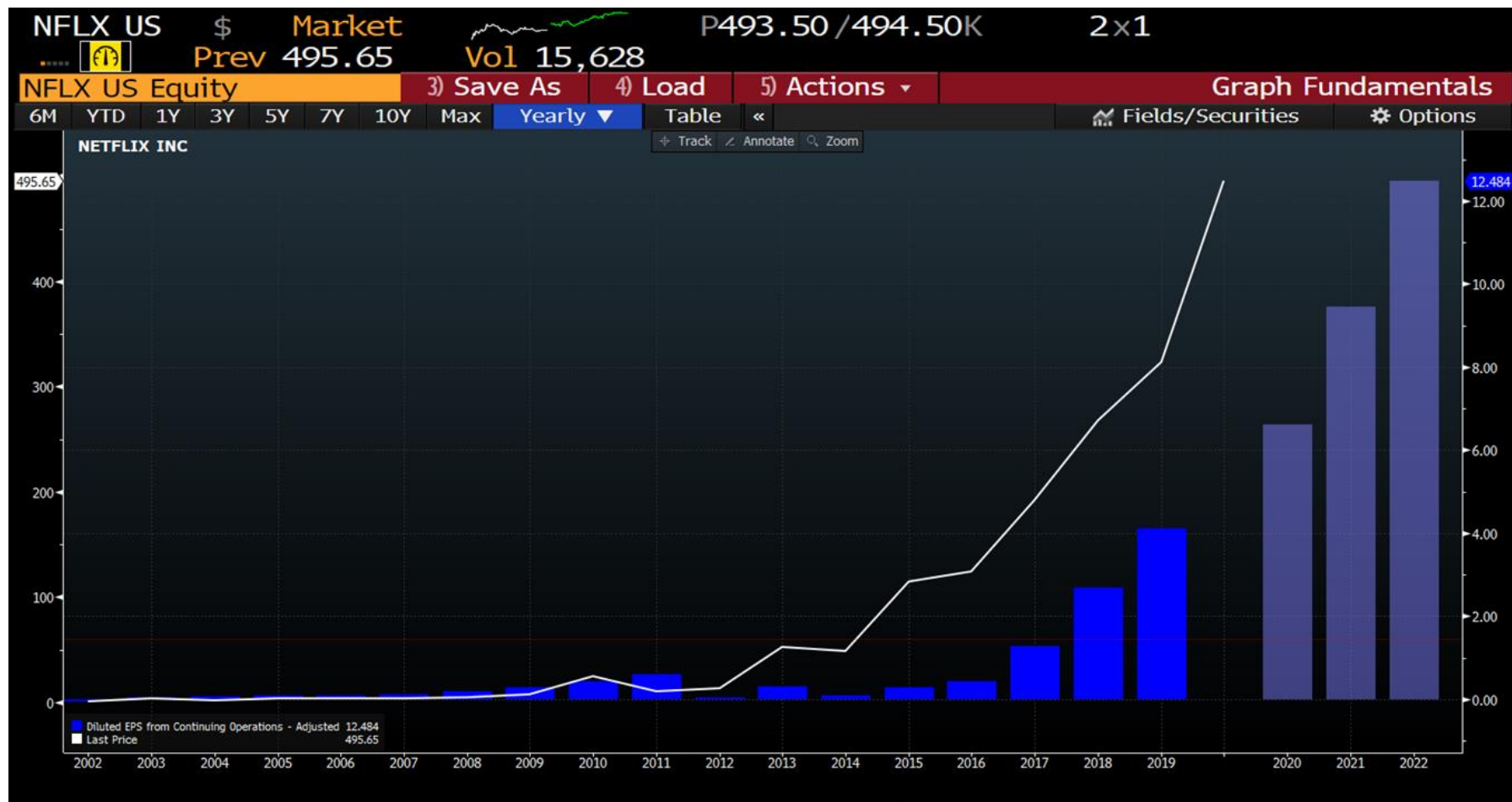


Source: Bloomberg

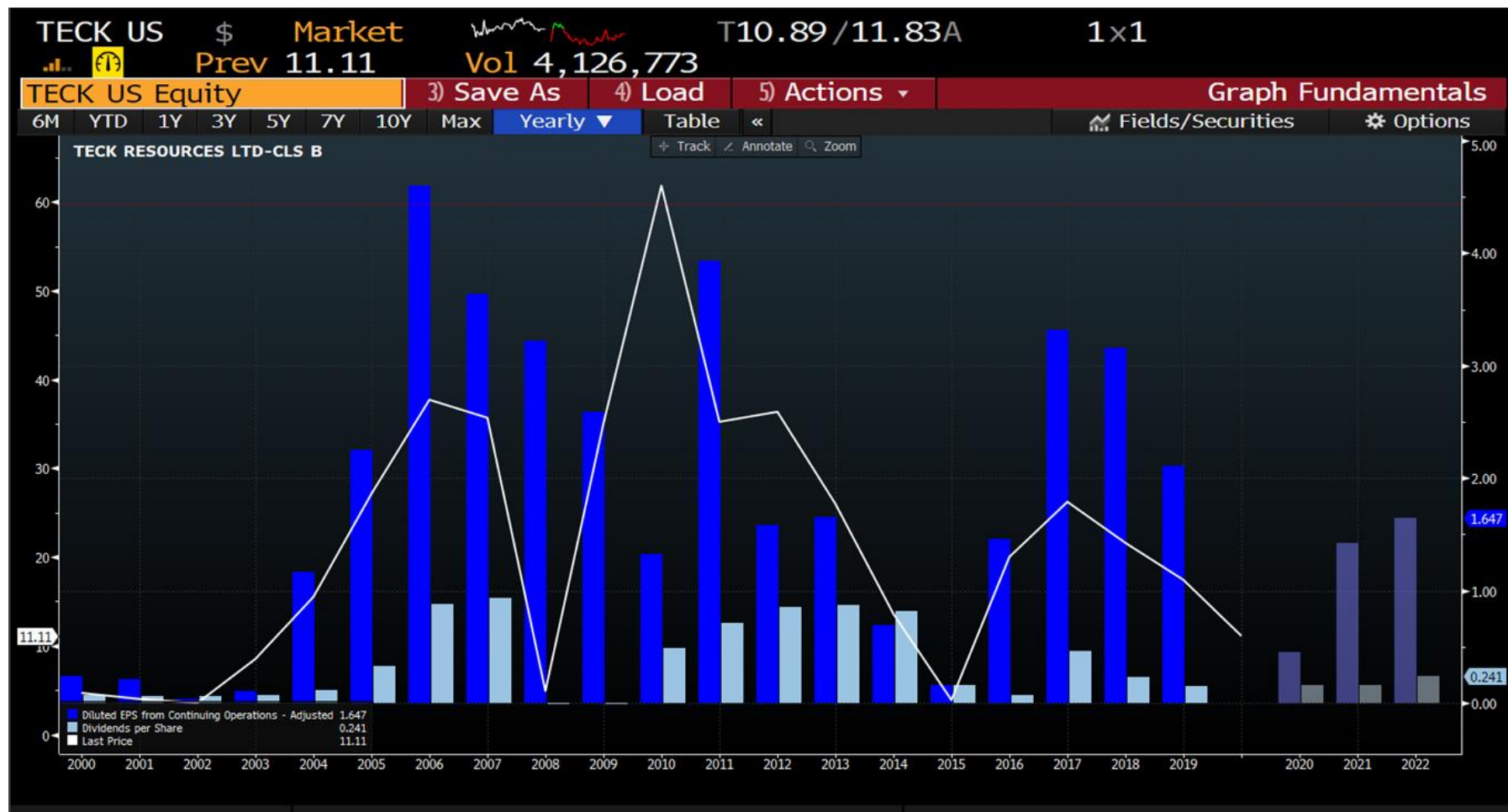
MSCI World /MSCI Mining, long trends are turning....



Source: Bloomberg

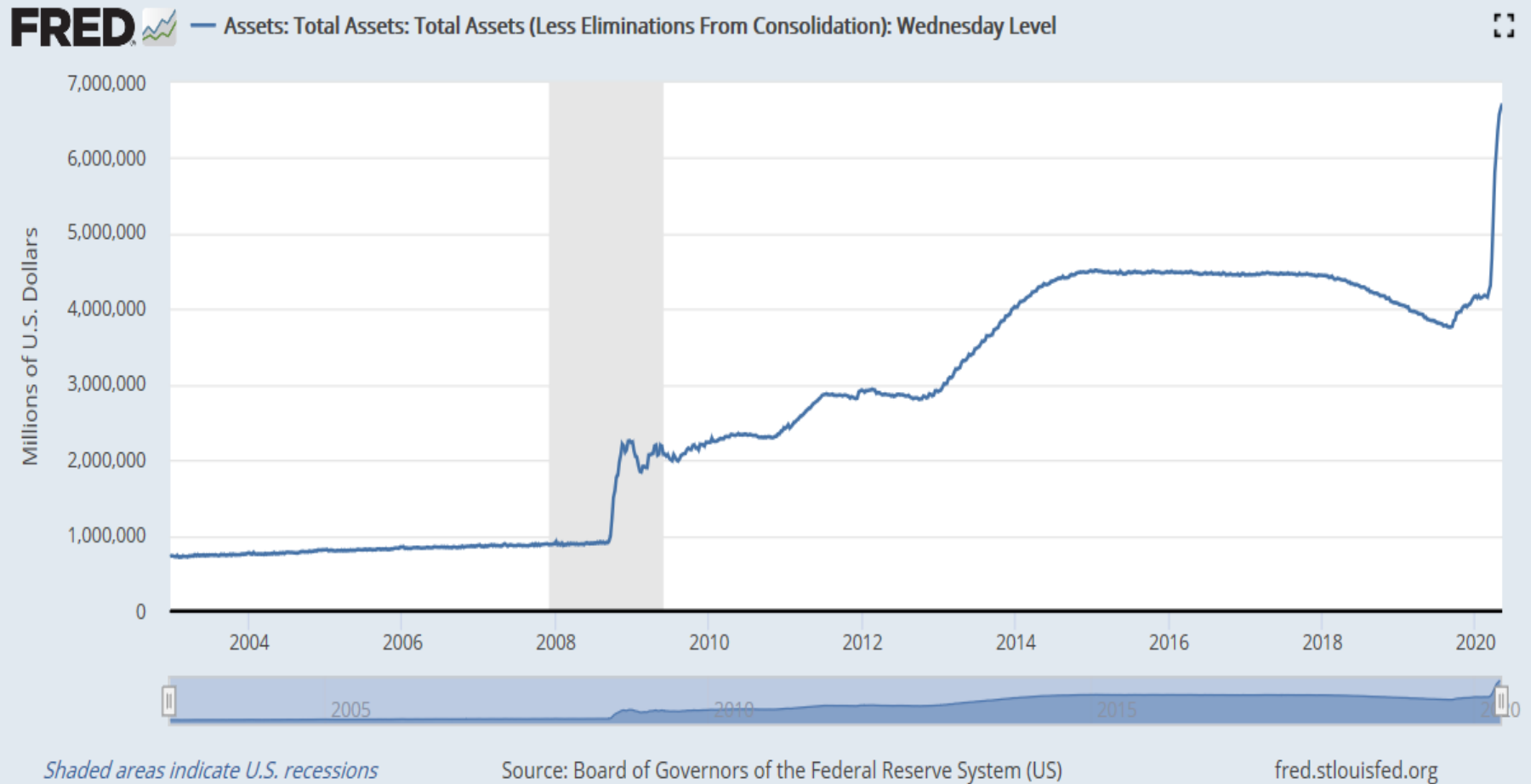


Source: SIA Group / Bloomberg



Source: SIA Group / Bloomberg

It is not just about QE, but repo eligibility



World Bank chief calls on G20 to reconsider gold standard

World Bank President Robert Zoellick has called on bickering G20 nations to bring gold back into the global monetary system as an anchor to guide currency movements.

Carney Urges Libra-Like Reserve Currency to End Dollar Dominance

By [Brian Swint](#)

23 August 2019, 21:00 CEST

- ▶ BOE governor says global economic order needs dramatic revamp
- ▶ Sees benefits to markets, economies from a multipolar system



China omits US dollar from forex trading fee waivers in bid to bolster yuan

Yuan internationalization: The sooner the better

Russia's Gazprom and China's CNPC to exclude dollar from gas settlements

China Creates \$16-Billion Silk Road Gold Fund

Beijing-China (Jun 14) Little by little, it's becoming clear how far-reaching China's Silk Road economic initiative really is.

Proposed in 2013 by President Xi Jinping, the Belt and Road Initiative involves massive infrastructure spending, growing trade along the Silk Road Economic Belt and 21st Century Maritime Silk Road.

Yuan globalization: The world needs a new reserve currency

By Laurence Brahm | [chinadaily.com.cn](#) | Updated: 2019-01-31 13:44

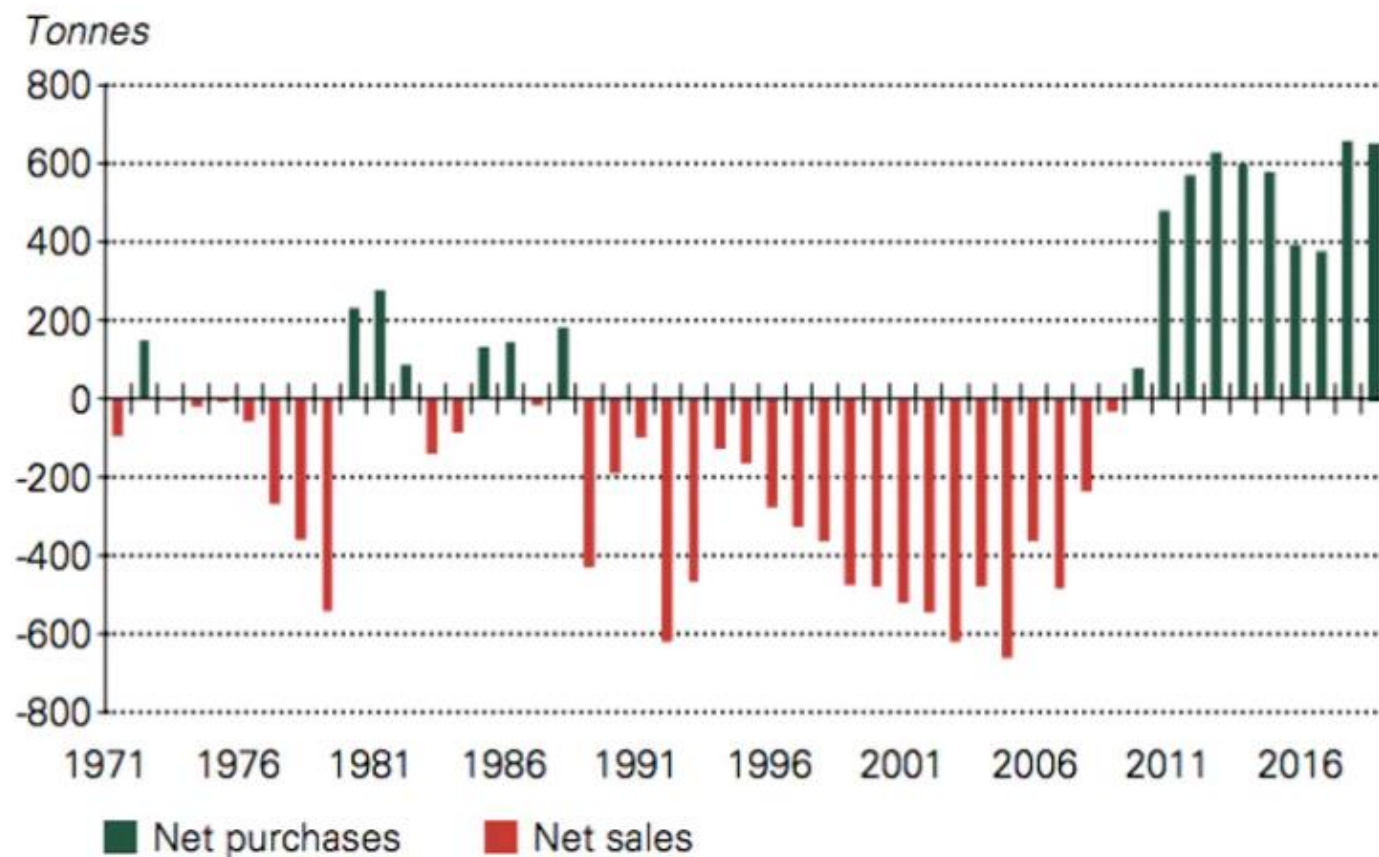


China calls for new reserve currency

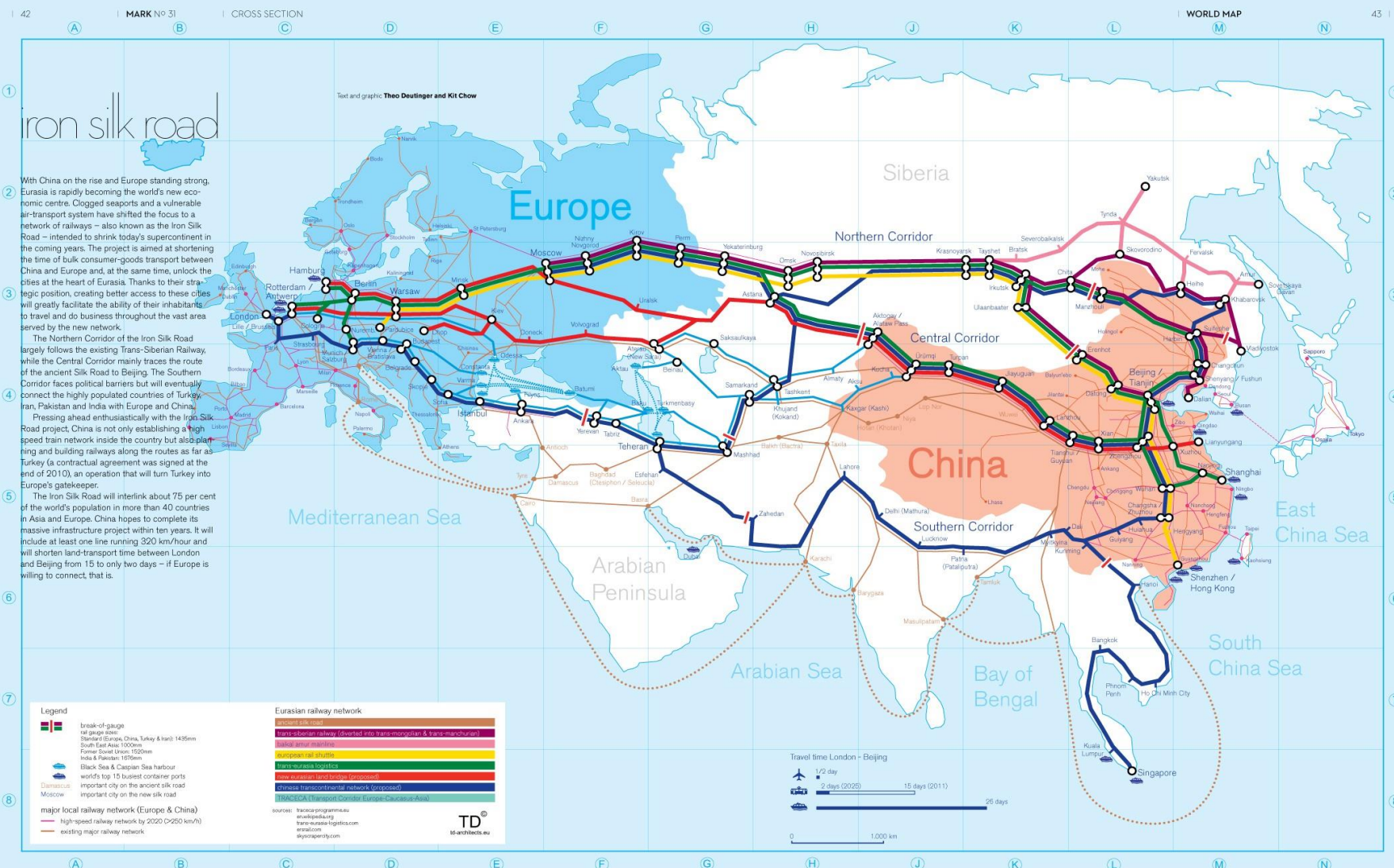
Jamil Anderlini in Beijing MARCH 24 2009

China's central bank on Monday proposed replacing the US dollar as the international reserve currency with a new global system controlled by the International Monetary Fund.

Central bank gold buying 1971-2019









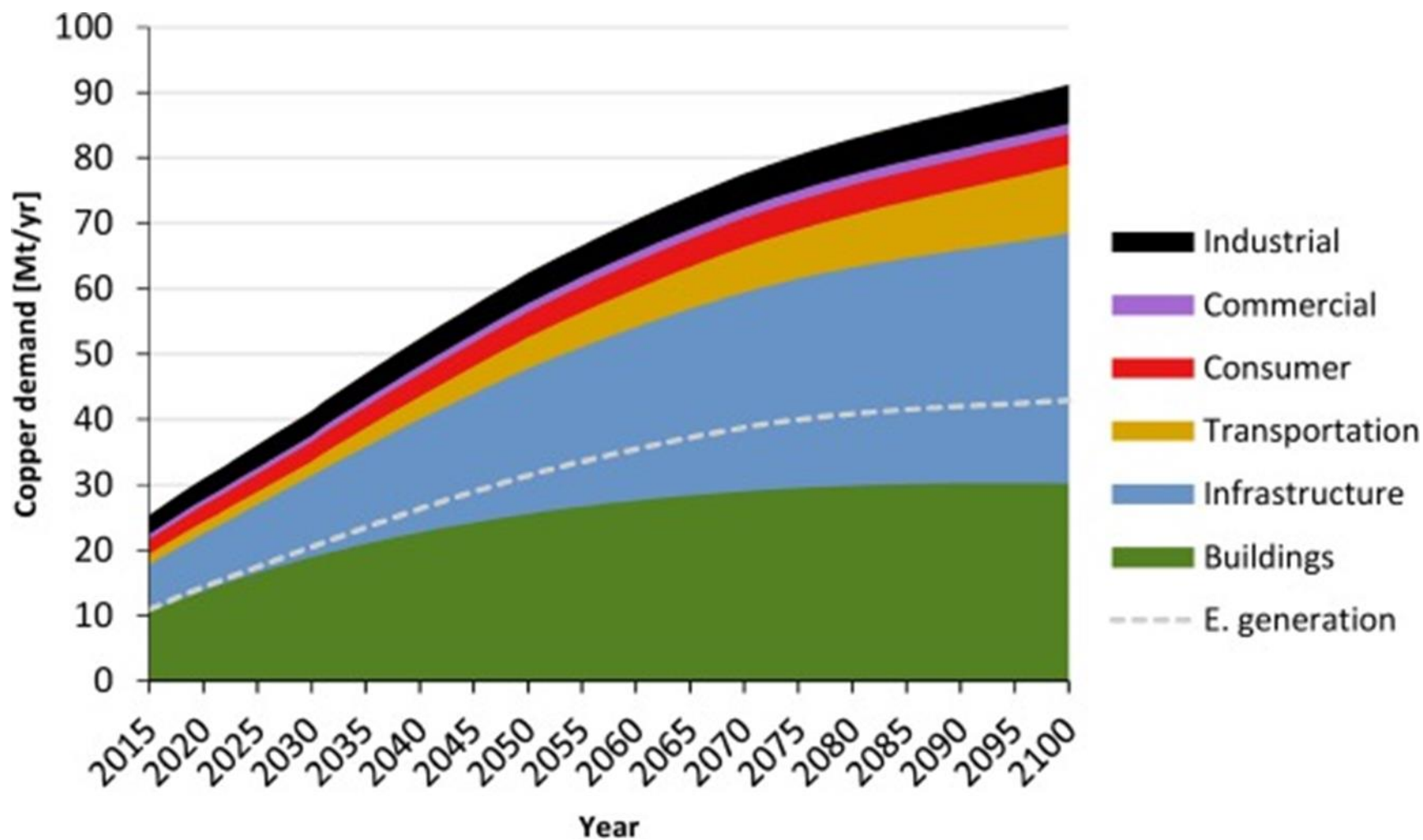
World Gold Council, Refinitiv GFMS, Metals Focus



- The concept was unveiled by Xi Jinping in September 2013.
- China's way to aid development in Central Asian countries and build relations with its neighbors.
- "One Belt, One Road" is the name of the development strategy to revive the land and maritime Silk Roads dating back to the days of Marco Polo. "Belt" refers to a vast area in Eurasia, and for the sea route that links China's coastal cities to Africa and the Mediterranean, passing key ports in Southeast Asia and the Suez Canal.
- The world's largest infrastructure project ever. A huge free trade area linking around 5 billion people.
- It challenges the old hegemony of the Atlantic alliance (ports, channels, bottlenecks, etc.) "Rule Britannia, Britannia rules the waves." (Not many waves to rule on Silkroad...)
- New Development Bank, Silk Road Fund, FTA's, Dying Petro\$, Ruble/Yuan currency swaps, Ruble priced Urals futures on SPIMEX (St. Petersburg Mercantile Exchange), gold flows east, military supremacy follows economic power, Yuan/IMF SDR's, Yuan convertibility/Reserve currency.
- It is being built on gold. There is no alternative in a multipolar world. How could you use a basket of currencies when everybody just prints as much as he likes?

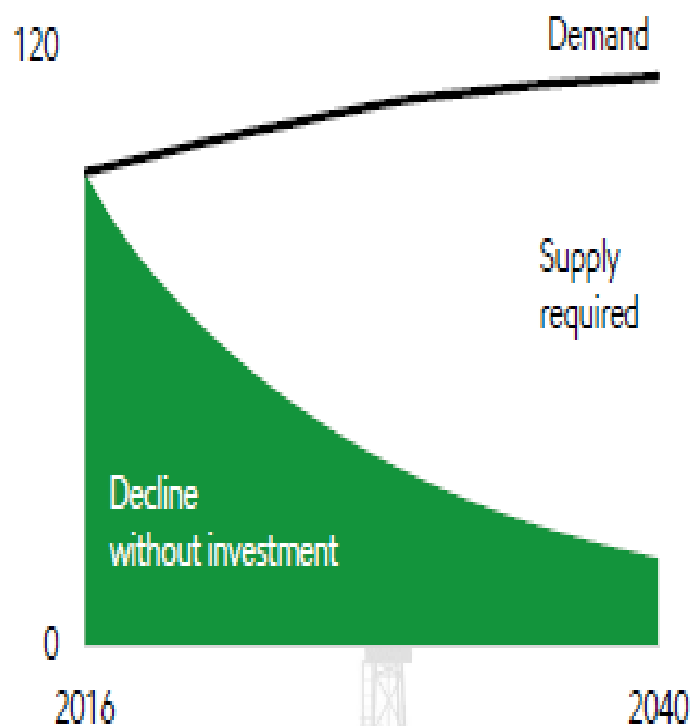
Economic development/consumption per capita

| Country/Region | Electricity consumption (kW·h/yr) | Year of Data | Source | Population | As of | energy per capita (kWh per person per year) | power per capita (watts per person) |
|--|-----------------------------------|--------------|--------------------|---------------|-------|---|-------------------------------------|
| World | 21,776,088,770,300 | 2014 | CIA | 7,322,811,468 | 2016 | 2,674 | 309 |
|  China | 6,310,000,000,000 | 2017 | NEA ^[3] | 1,403,500,365 | 2017 | 4,475 | 510 |
|  United States | 3,911,000,000,000 | 2015 EST. | CIA | 323,995,528 | 2016 | 12,071 | 1,377 |
|  India | 1,547,000,000,000 | 2018 | CSO ^[4] | 1,352,642,280 | 2018 | 1,181 | 140 |
|  Russia | 1,065,000,000,000 | 2014 EST. | CIA | 142,355,415 | 2016 | 7,481 | 854 |
|  Japan | 934,000,000,000 | 2014 EST. | CIA | 126,702,133 | 2016 | 7,371 | 841 |
|  Germany | 533,000,000,000 | 2014 EST. | CIA | 80,722,792 | 2016 | 6,602 | 753 |
|  Canada | 528,000,000,000 | 2014 EST. | CIA | 35,362,905 | 2016 | 14,930 | 1,704 |
|  Brazil | 518,000,000,000 | 2014 EST. | CIA | 205,823,665 | 2016 | 2,516 | 287 |
|  Korea, South | 495,000,000,000 | 2014 EST. | CIA | 50,924,172 | 2016 | 9,720 | 1,109 |
|  France | 431,000,000,000 | 2014 EST. | CIA | 66,836,154 | 2016 | 6,448 | 736 |
|  United Kingdom | 309,000,000,000 | 2014 EST. | CIA | 64,430,428 | 2016 | 4,795 | 547 |



Oil supply & demand

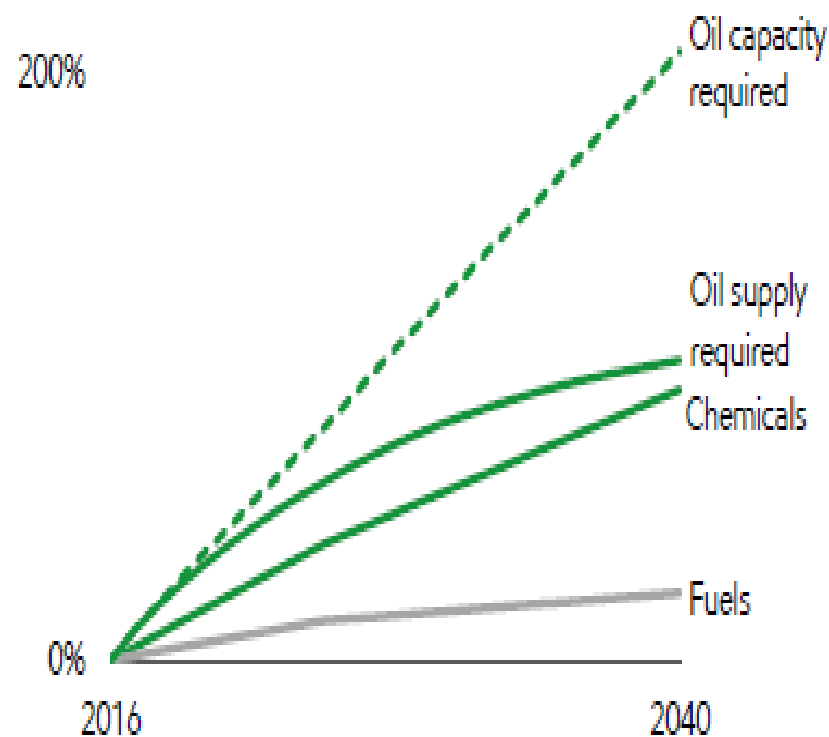
MOEBD



Source: 2018 Energy Outlook

New supply requirement

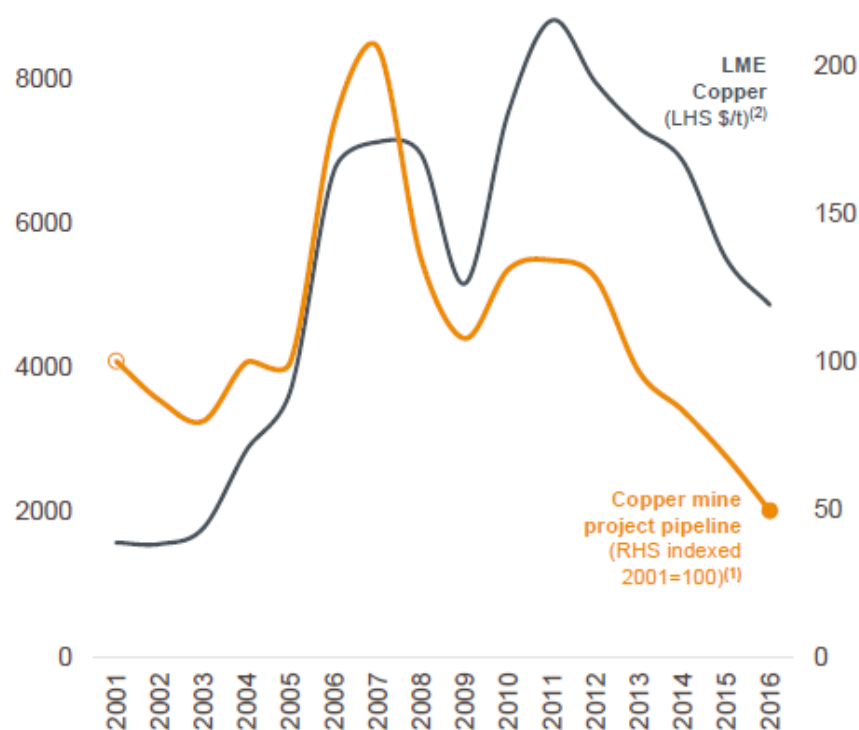
Indexed to 2016



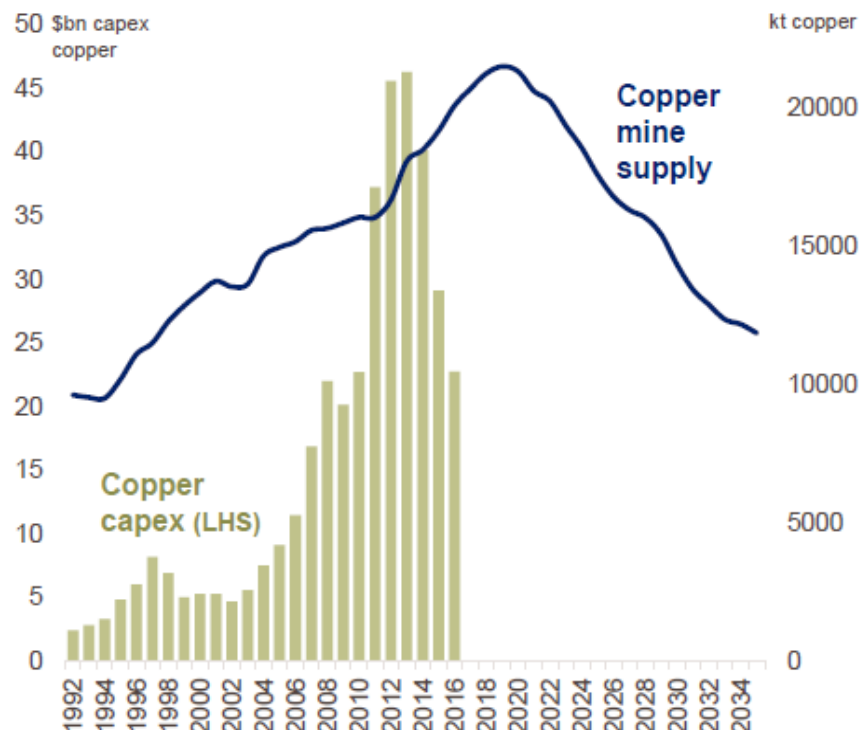
Source: 2018 Energy Outlook

Sustaining copper mine supply is progressively more challenging

Copper mine project pipeline now below pre-supercycle lows



Supply is peaking in 2018 and declines thereafter at 3.5% CAGR with no reinvestment ⁽³⁾



Source: (1) Copper mine project pipeline comprises the total production volume of projects categorised as highly probable and probable by Wood Mackenzie's Global copper long-term outlooks from 2001 to 2016, indexed change from 2001. (2) Annual average LME cash copper price, source Wood Mackenzie and Bloomberg. (3) Bernstein European Metals and Mining, 8 March 2017, Copper & Gold – Not a production wall ... it's a production cliff

GLENCORE

Sector capex plans have risen beyond trough levels but still remain low, reflecting:

- Modest capex inflation
- Remaining spend on legacy projects
- Catch-up spending
- Mine-life extensions for current operations

Volume growth challenges - large increases in capex unlikely

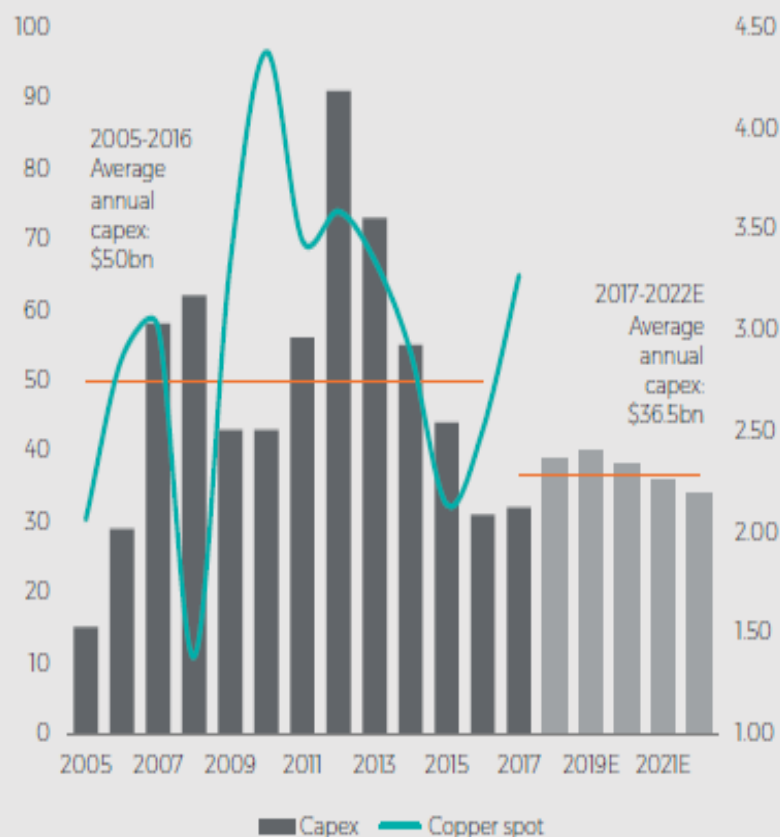
- More prudent/shareholder-friendly capex philosophy
- Lack of 'shovel ready' projects - particularly in copper/zinc/nickel/cobalt
- New growth will require miners to operate in 'challenging' geographies
- Increasing 'social licence to operate' complexity for greenfield project approvals

Capital efficient growth is key

- Sensible organic reinvestment vital to underpin long-term cash flows
- Investing with consideration for the global supply/demand balance

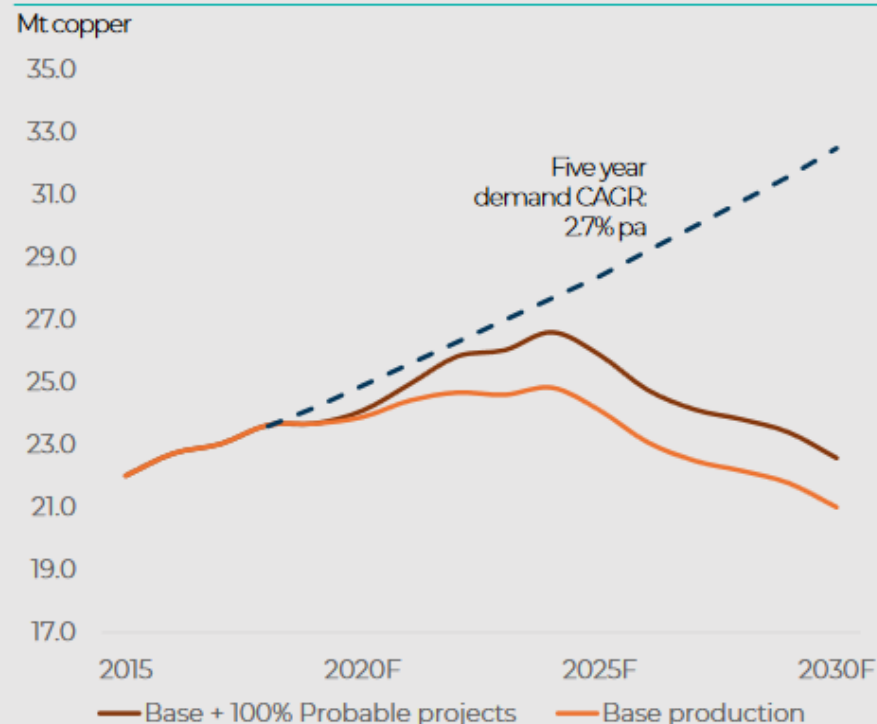
Lower forecast capex, but can it increase dramatically?

Total sector capex (\$bn) vs copper spot price (\$/lb, RHS)⁽¹⁾

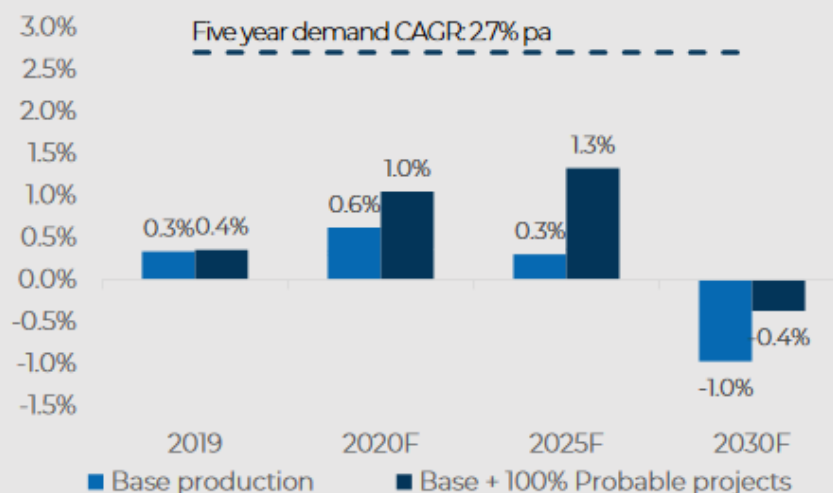


Structural deficits likely even with 100% of probable project pipeline

Historical demand trends imply continued copper deficits⁽¹⁾

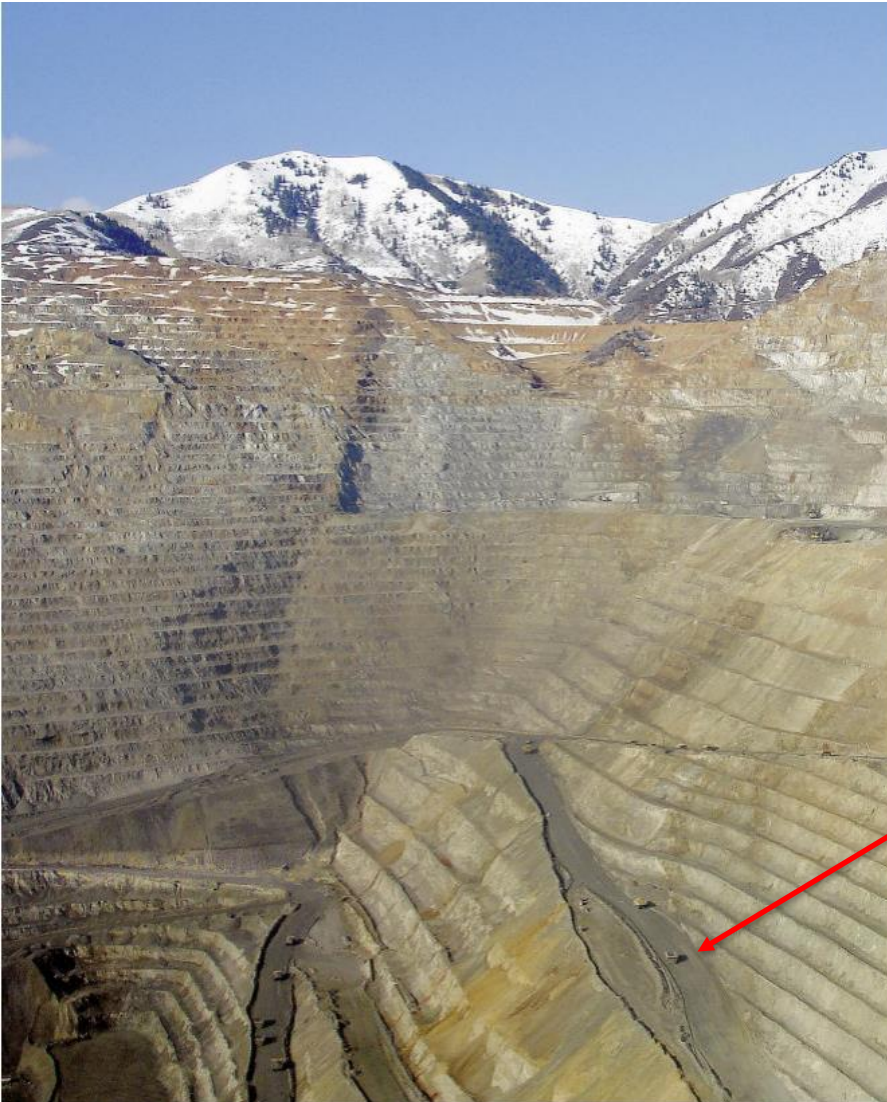


Minimum copper demand needed for inventory draw⁽¹⁾



- In 2025... EV demand is equivalent to half of new supply from all Probable projects (assuming 100% are built)
- By 2030... EV demand is equivalent to almost double total new supply from all Probable projects

Open Pit Mining: The Bingham Canyon copper mine in the US

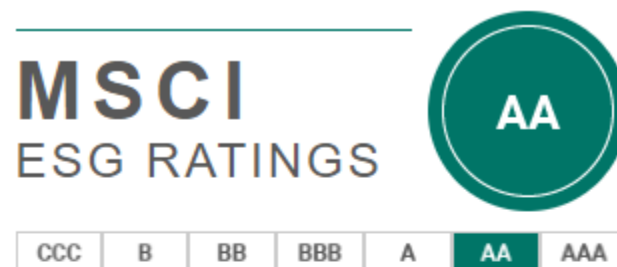


- Think and act like an owner
- What is a good company
- Our investment process on a company basis: Three cases
- Portfolio construction, expected returns and owner's reporting
- An update on Natural Resources
- **Value Investing with Values**
- Appendix 1: our funds

Key message: if approached as a business owner, equities can be a high return, low risk investment.

Long Term Invest Fd (SIA)-Classic EUR

Peer Group: Equity Global
Country: Luxembourg



Peer and global rank

The fund ranks in the 89th percentile within the Equity Global peer group and in the 92nd percentile within the global universe of approximately 34,000 funds in coverage.

ESG Rating distribution of fund holdings

33% of the fund's holdings receive an MSCI ESG Rating of AAA or AA (ESG Leaders) and 0% receive an MSCI ESG Rating of B or CCC (ESG Laggards).

Source: <https://www.msci.com/esg-fund-ratings/funds/long-term-invest-fd-sia-classic-eur/65063043>

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Long Term Investment Fund (SIA) structure

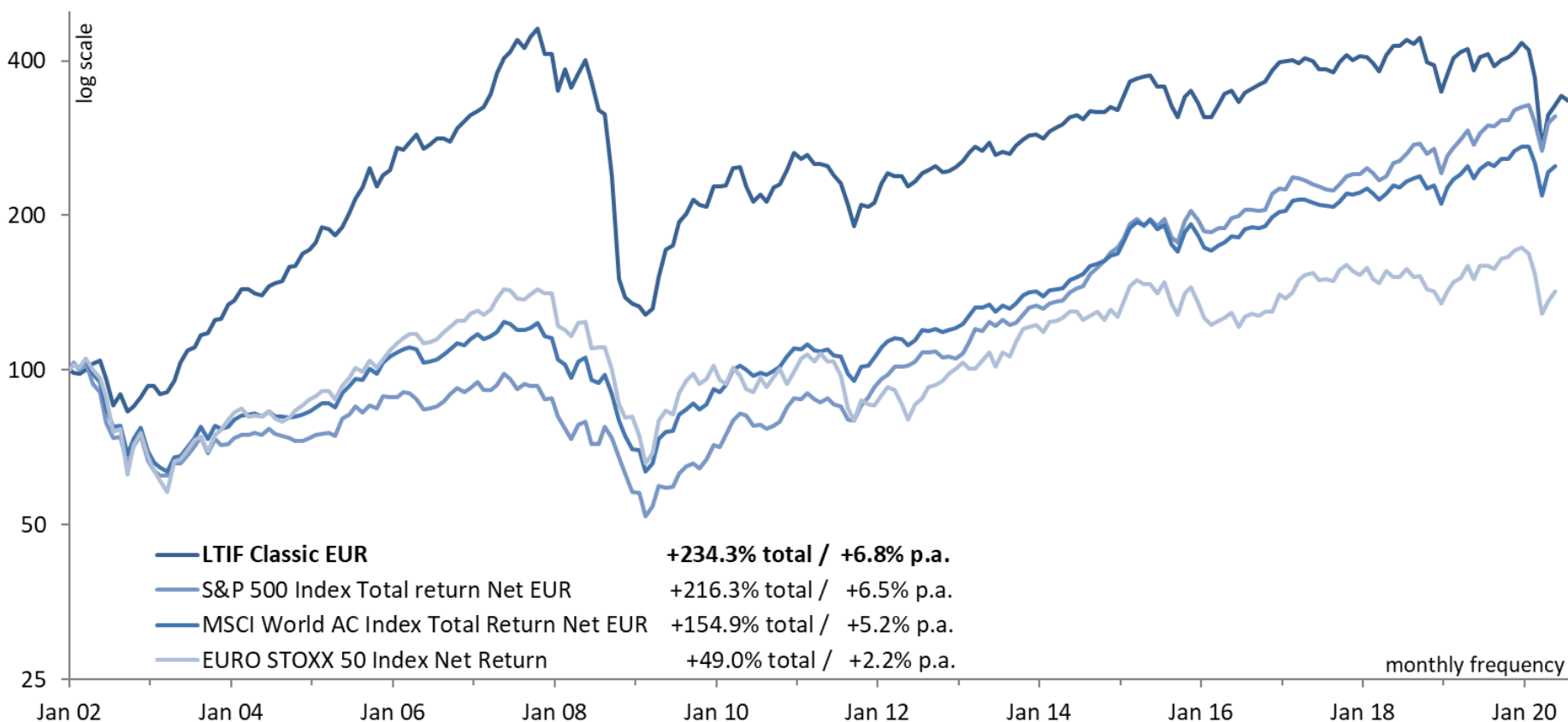
| Compartments | LTIF Classic Series | | | | | LTIF Stability A Cap Series | | |
|------------------|---------------------------|--------------|--------------|--------------|--------------|-----------------------------|--------------|--------------|
| Investment style | Long-only | | | | | Long - Short | | |
| Management fee | 1.5% pa | | | | | 0.9% pa | | |
| Performance fee | 15% (HWM and Hurdle Rate) | | | | | 15% (HWM) | | |
| Currency | EUR | CHF | USD | GBP | EUR | EUR | CHF | USD |
| ISIN number | LU0244071956 | LU0301246772 | LU0301247077 | LU0750886714 | LU1449969846 | LU1128810261 | LU1589813515 | LU1132799310 |
| Telekurs valor | 2'432'569 | 3'101'817 | 3'101'820 | 18'032'305 | 33'180'015 | 25'840'496 | 36'183'892 | 25'906'913 |
| Bloomberg ticker | LTIFCLA LX | LTIFCLC LX | LTIFCLU LX | LTIFCLS LX | LTIFCLD LX | LTISTAE LX | LTISTAC LX | LTISTAU LX |
| Distribution | reinvested | reinvested | reinvested | reinvested | distributed | reinvested | reinvested | reinvested |

| Compartments | LTIF Natural Resources | | | | LTIF Socially Responsible Investing | | |
|------------------|------------------------|--------------|--------------|--------------|-------------------------------------|--------------|--------------|
| Investment style | Long-only | | | | Long-only, with a SRI filter | | |
| Management fee | 1.5% pa | | | | 1.5% pa | | |
| Performance fee | 15% (HWM) | | | | 15% (HWM and Hurdle Rate) | | |
| Currency | EUR | CHF | USD | GBP | EUR | USD | EUR |
| ISIN number | LU0244072335 | LU0301246939 | LU0301247234 | LU0457696077 | LU1790109257 | LU1790109331 | LU1790109414 |
| Telekurs valor | 2'432'575 | 3'101'836 | 3'101'839 | 10'638'983 | 40'678'982 | 40'678'984 | 40'678'985 |
| Bloomberg ticker | LTIFGEV LX | LTIFGEC LX | LTIFGEU LX | LTIFGEG LX | LTIFSRI LX | LTIFSRU LX | LTIFSRD LX |
| Distribution | reinvested | reinvested | reinvested | reinvested | reinvested | reinvested | distributed |

- Daily liquidity, cut-off time previous day at 4:00 pm CET
- Performance fees are assessed and paid quarterly, subject to High Water Marks and Hurdle Rates

Long-term performance of the LTIF Classic fund

LTIF Classic, MSCI AC World Index, S&P 500 Index and EURO STOXX 50 incl. annualized returns



Source: SIA Group / Bloomberg

Long Term Investment Fund

- 15, avenue J.F. Kennedy
- L-1855 Luxembourg
- Grand Duchy of Luxembourg

SIA Funds AG

- Alpenblickstrasse 25
- 8853 Lachen
- Switzerland

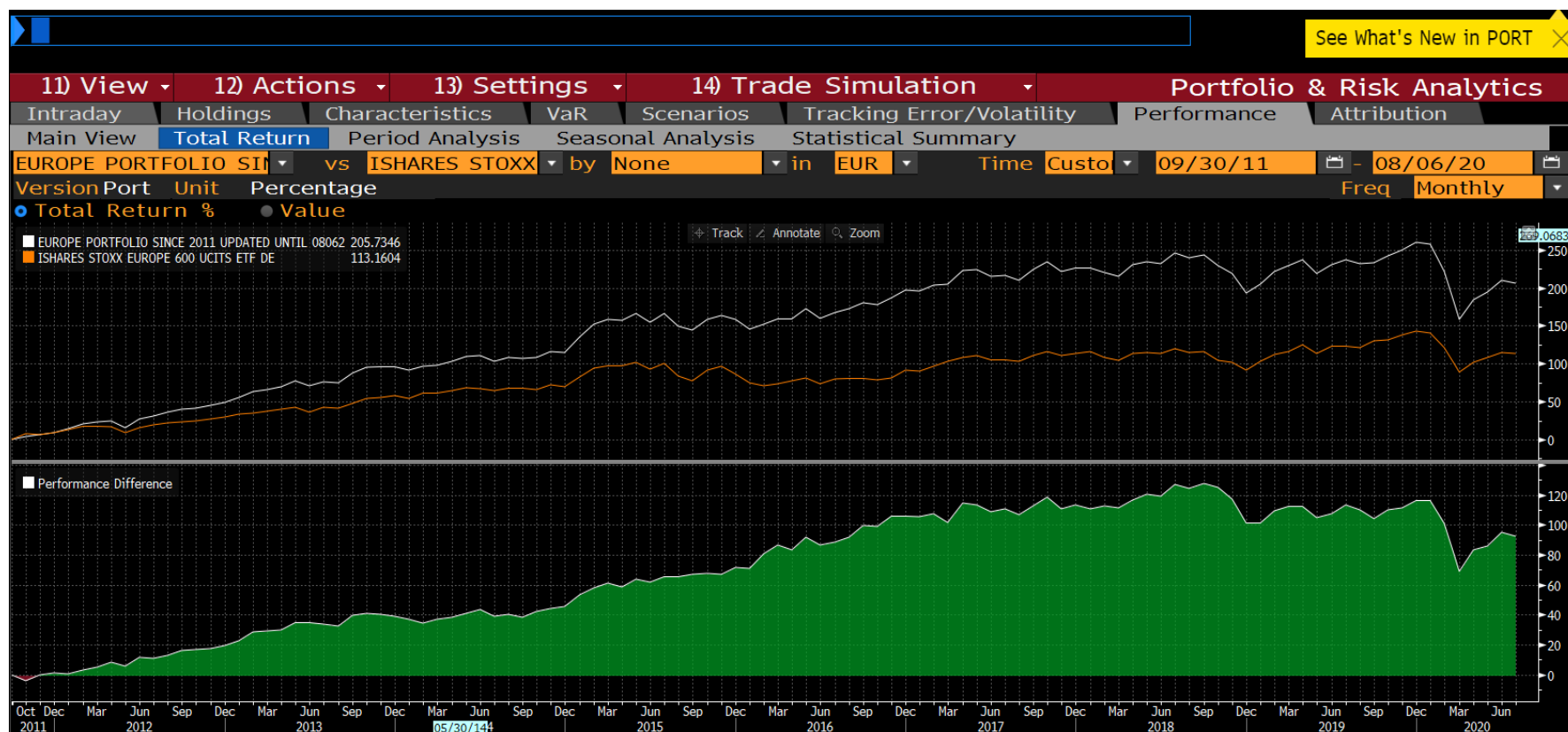
- Tel: +41 55 617 28 70
- Fax: +41 55 617 28 71

- website: www.s-i-a.ch
- e-mail: info@s-i-a.ch

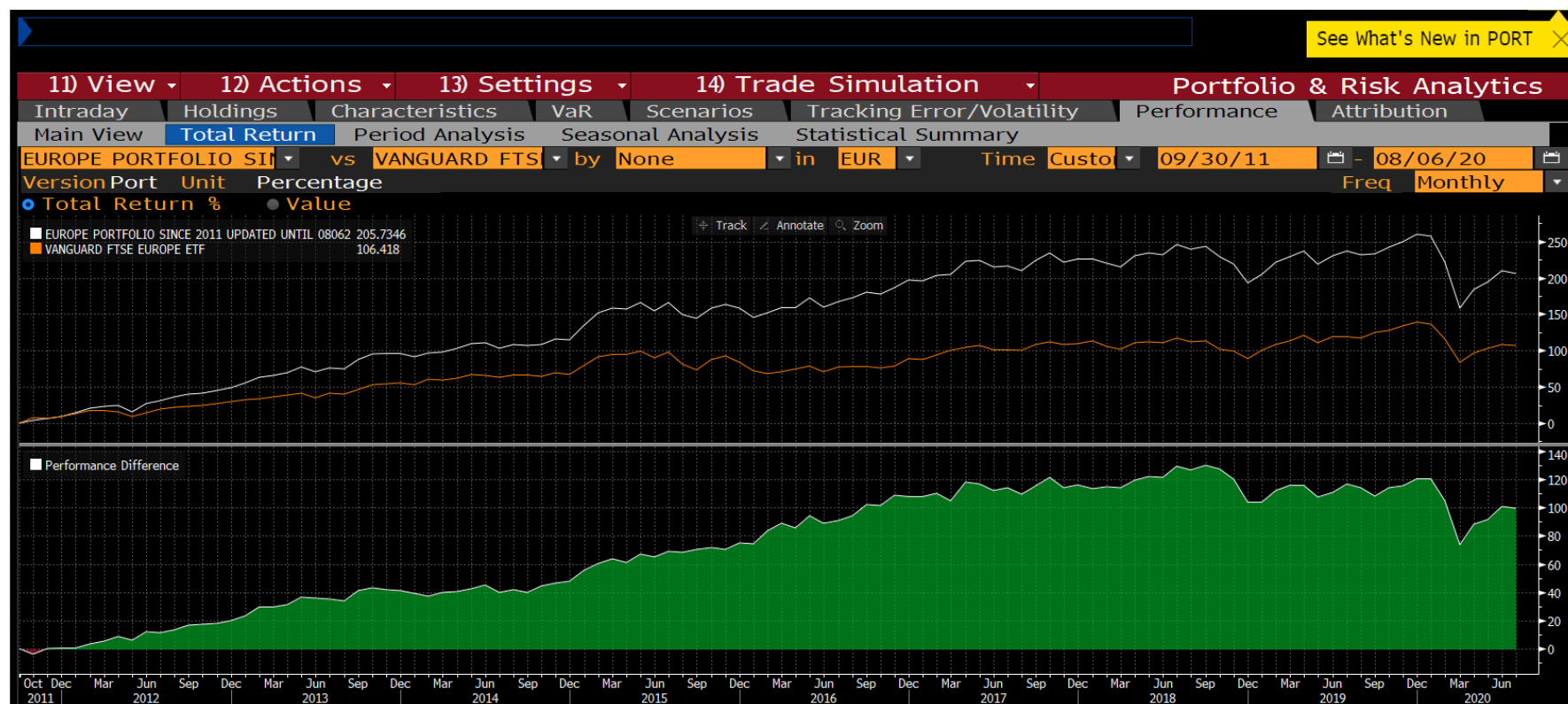
European Carve Out Portfolio since 30. September 2011 (before fees) vs. Ishares STOXX Europe 600 ETF



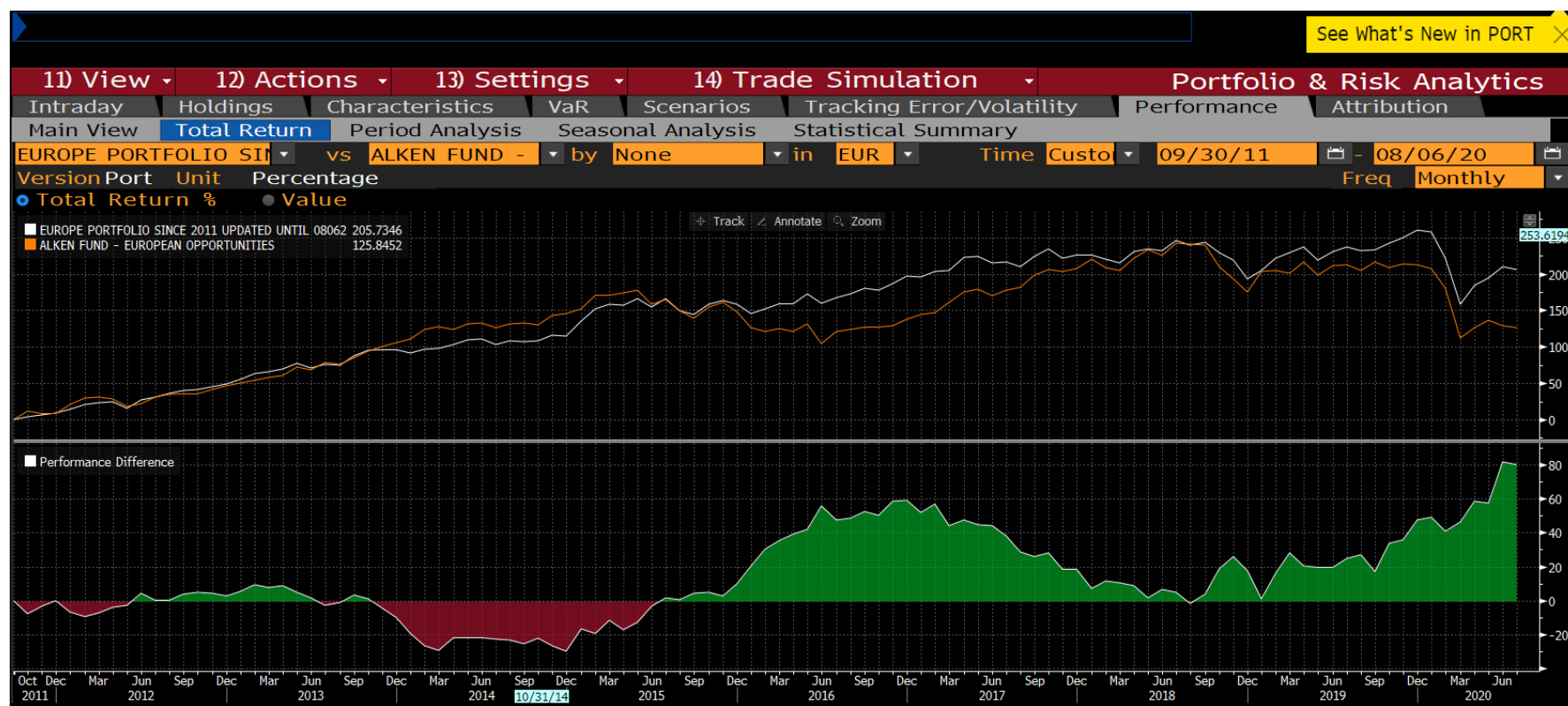
European Carve Out Portfolio since 30. September 2011 (before fees) vs. Ishares STOXX Europe 600 ETF on monthly data



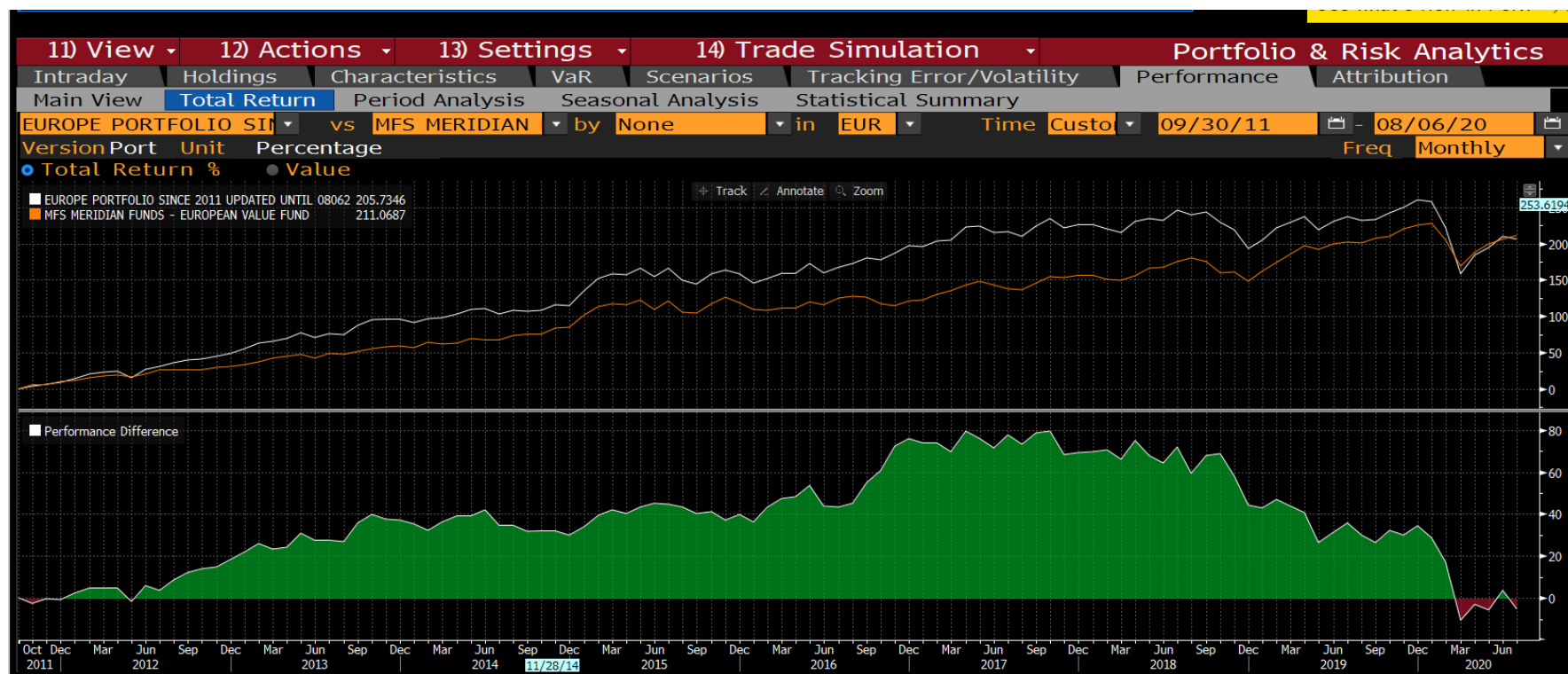
European Carve Out Portfolio since 30. September 2011 (before fees) vs. Vanguard FSTE Europe ETF on monthly data



European Carve Out Portfolio since 30. September 2011 (before fees) vs. Alken European Opportunities on monthly data



European Carve Out Portfolio since 30. September 2011 (before fees) vs. MFS Meridian Fund
European Value Fund on monthly data



LTIF (SIA) Classic, Stability A Cap, SRI and Natural Resources

- 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. Past performance is neither a guarantee nor a reliable indicator of future results. Performance data does not include the commissions and fees charged at the time of subscribing for or redeeming shares. This information has been furnished to you upon request and solely for your information and may not be reproduced or redistributed to any other person. It is not intended as an offer or solicitation with respect to the purchase or sale of shares of the Sicav. Neither the Central Administration Agent nor the Investment Manager assume any liability in the case of incorrectly reported or incomplete information. Please be aware that investment funds involve investment risks, including the possible loss of the principal amount invested. For a detailed description of the risks in relation to each share in the investment fund, please see the latest version of the prospectus, simplified prospectus, annual and semi-annual reports, which may solely be relied upon as the basis for investment decisions; these documents are available on www.s-i-a.ch or from the Central Administration Agent FundPartner Solutions (Europe) SA, 15A, avenue J.F. Kennedy, L - 1855 Luxembourg. LTIF Classic, Stability A Cap and Natural Resources (previously Global Energy Value) were approved for distribution in and from Switzerland by the Swiss Financial Market Supervisory Authority (FINMA) according to Art. 19 al. 1 of the Collective Investment Schemes Act, paying agent is Banque Pictet & Cie SA, Route des Acacias 60, 1211 Geneva 73, Switzerland. Legal representative in Switzerland is FundPartner Solutions (Suisse) SA, Route des Acacias 60, 1211 Geneva 73, Switzerland; notified to the Austrian Finanzmarktaufsicht according to §36 of the Investment Funds Act; authorised in France by the Autorité des Marchés Financiers (AMF) pursuant to Art. 411-58 of the AMF General Regulation; authorised by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) according to §132 of the Investment Act; authorised in Italy by the Bank of Italy and the CONSOB according to Article 42 of Legislative Decree no. 58 of 24 February 1998; registered in the register of foreign collective investment schemes commercialized in Spain by the Comisión Nacional del Mercado de Valores (CNMV) pursuant to Art. 15 of the Law on Collective Investment Vehicles; recognised in the United Kingdom by the Financial Services Authority (FSA) as a recognised scheme within the meaning of Section 264 of the Financial Services and Markets Act 2000.