



KIIF

Korea International Investment Fund

International Investment Advisers

www.iia-funds.com

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Why KIIF



- **Korea International Investment Fund (KIIF) is the oldest offshore fund in Korea, with 20 years of investment experience in Korean equity markets**
- **Since inception, KIIF outperformed the Korean market by more than 135%**
- **Korea's stock market is significantly undervalued relative to other stock markets in Asia and the rest of the world**
- **KIIF is managed by long-term Korean market experts to evaluate Korean listed companies**
- **KIIF is offered with no lock-up, no redemption fees and no load**

The International Investment Advisers Advantage



- **Opportunity:** The Korean market is the cheapest market in Asia and cheaper than most of the world's markets. Yet, Korea's stock market now ranks as the 12th most liquid market in the world, with average daily trading of over \$4 billion.
- **Experience:** Since inception, IIA has almost two decades of experience in the Korean Market, which can be challenging to outsiders. Our seasoned investment professionals are long-term participants in Korea's financial markets.
- **Flexibility:** The KIIF portfolio is generally diversified into not less than 40 holdings, with not more than 10% in any single stock. The fund is Korea's only directional long-short fund, and is able to short individual stocks, Korea's stock exchange indices, and the Korean Won relative to various world currencies.

The International Investment Advisers Advantage



2006

IIA is awarded Korean Discretionary Investment Management license.

1999

IIA becomes the first US investment adviser to be licensed by the Korean government to manage Korean assets.

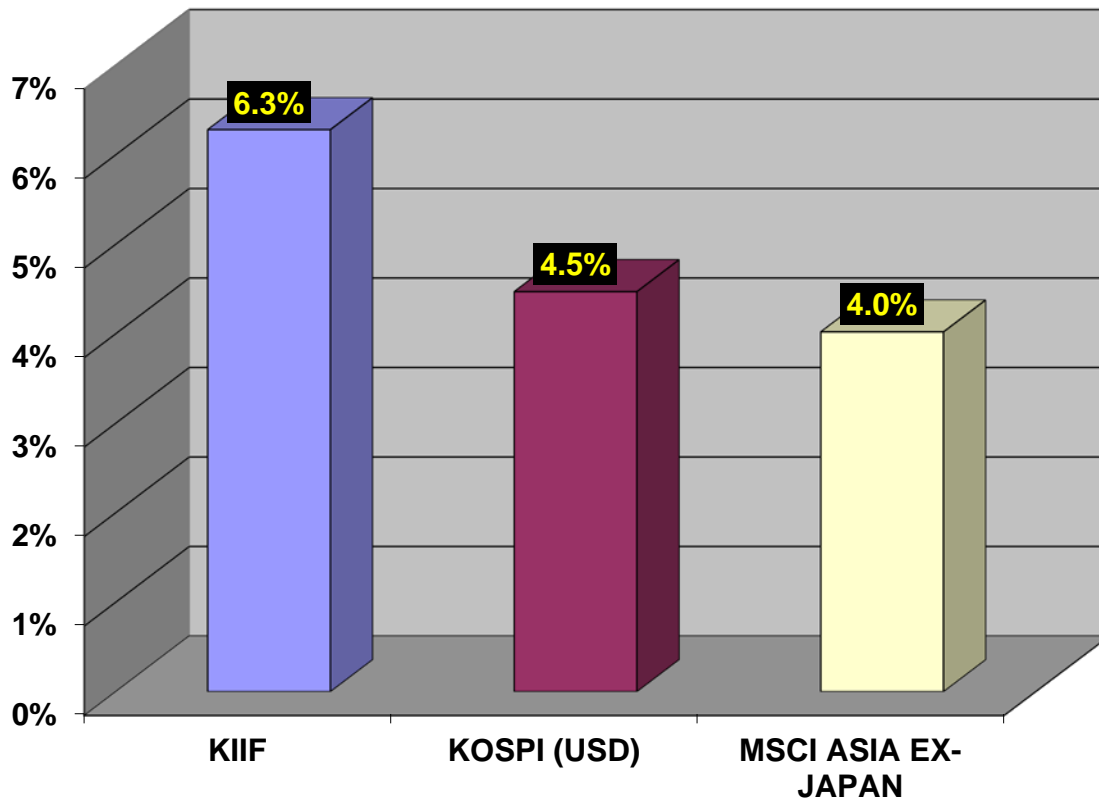
1997

KIIF pioneers hedging strategy among Korea mutual fund managers, weathering Asian currency crisis.

1992

IIA is established for the sole purpose of developing funds for investment in the Korean markets. Korea International Investment Fund (KIIF) is the oldest offshore fund in Korea.

Outperformance vs. KOSPI and MSCI Asia Ex-Japan



KIIF lifetime annualized return, net of all fees

KIIF has a 6% lifetime annualized return, and has outperformed the Korean market, as well as MSCI Asia Ex-Japan

Recent Top Rankings across Emerging Asia Funds



This fund was ranked based on the data in Barclay Hedge's hedge fund database



This fund was ranked based on the data in Barclay Hedge's hedge fund database



This fund was ranked based on the data in Barclay Hedge's Database of hedge fund managers

Experienced Management



KIIF is managed by Henry M. Seggerman, President of International Investment Advisers (IIA). Mr. Seggerman has visited more than 150 companies listed on the Korean Stock Exchange, as well as numerous Korean government officials. Mr. Seggerman is a frequent contributor to The Wall Street Journal, Barrons, FinanceAsia, the Korea Times, and other publications. Mr. Seggerman has also made numerous country fund investments in other countries in Europe and Asia. He holds a B.A. from the University of Michigan and an M.A. from New York University, and is a Member of the Manhattan Committee on Foreign Relations.

KIIF is supported by a team of highly-experienced financial industry professionals in Korea and the US.

KIIF client servicing



Martine Yourieff **VP/Client Services & Operations**

Martine Yourieff has been with IIA since 1994. She is primarily involved with the operation of the company in its role as Adviser to its funds, providing the liaison between the funds' investors, administrators, auditors and counsel. Prior to working for IIA, Mrs. Yourieff was Personal Assistant to high level executives including the President of the British-owned conglomerate, FKI-Babcock Industries, and the Managing Director of Seiko Time (Hong Kong) Ltd. She has also worked for the Australian Embassy and 3M's European headquarters, both in Brussels. Mrs. Yourieff studied languages and business and graduated from the High Wycombe College of Technology and Art, UK.

Why Korea

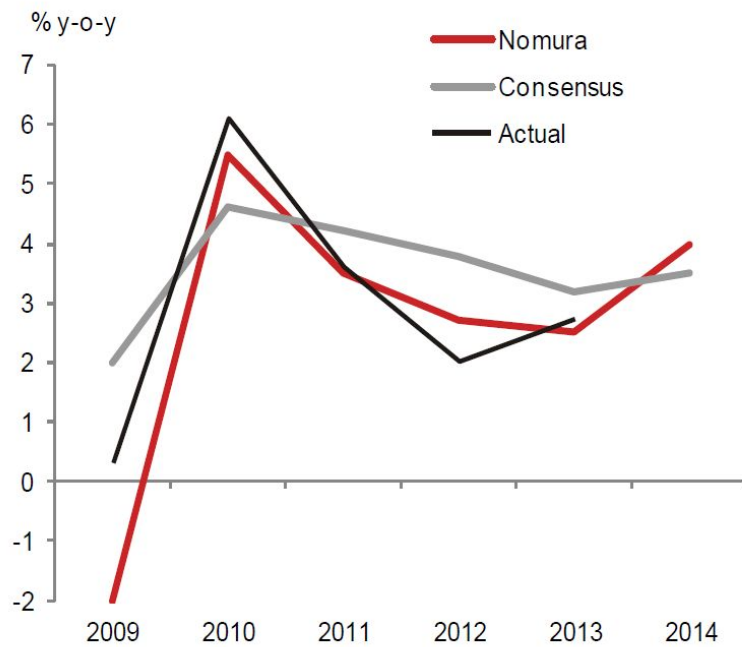


- Home to some of the world's fastest growing companies including the world's top 6 shipbuilders, top 2 memory-chip manufacturers, top 2 display manufacturers and #1 high-speed internet provider
- Significant undervaluation of Korean businesses vs. U.S., Japanese and European entities
- Sixth-highest foreign reserves level in the world, over \$330 billion
- Sovereign debt has been upgraded by Moody's and S&P
- Recently added to FTSE Advanced Markets. Korea's MSCI weighting has risen from 6.6% in 1997 to 17.7% today (Emerging Markets Free Far East Index). MSCI is expected to add Korea to its \$3 trillion Developed markets in the near future
- The world's 12th most liquid stock market

Why Korea



Fig. 1: Korea's GDP growth forecast from 2009 to 2014



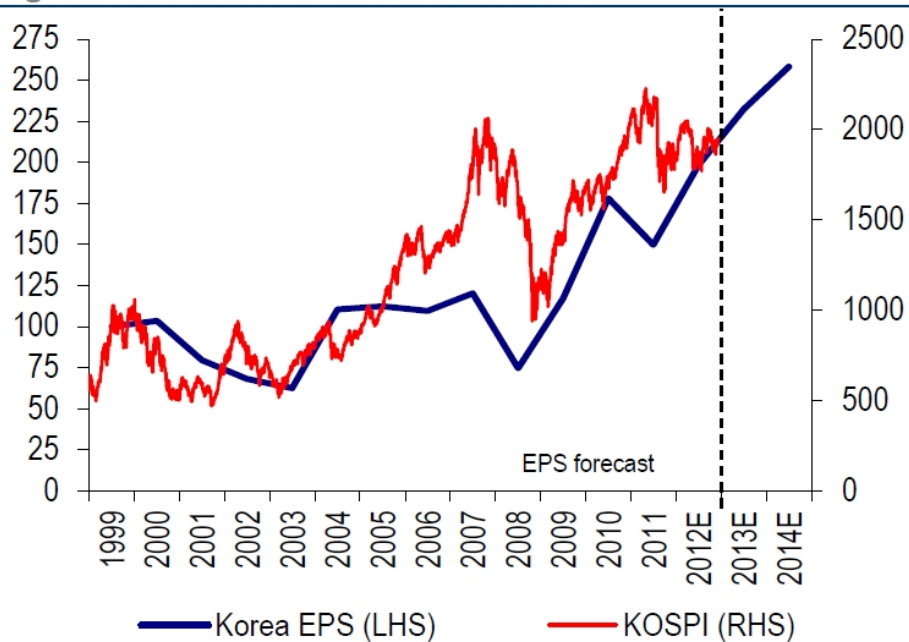
Pickup in
GDP growth

Note: Forecast figures are annual GDP growth, which is presented every January for 2009-13. The 2014 forecast is as of October 2013.
Source: Consensus Economics, CEIC and Nomura Global Economics estimates.

Why Korea



Figure 160: Korea EPS forecast vs KOSPI



EPS growth expected to drive Korea stock market into 2014

Source: MSCI, IBES, Credit Suisse estimates

KIIF Investment Strategy



- The only directional long-short fund in Korea
- The only leveraged fund in Korea
- Fundamentally based, direct investment in Korean local shares
- Long focus on high-growth areas such as information technology
- Short focus targets overvalued stocks
- Leveraged up to 150% long / 50% short
- High levels of forecasted EPS growth
- Low Price/Earnings-to-Growth (PEG) Ratio
- Buy orders for target companies aim for oversold conditions
- Sell orders aim for stock prices which have rallied strongly

KIIF Investment Strategy



Opportunity: Turnaround plays -- Government bailouts & support measures

KIIF Advantage: Insight into policymakers and political process

Opportunity: Hidden asset plays -- Complex conglomerate structures and often-opaque financial statements

KIIF Advantage: Ability to analyze business quality, financial documents and management structure through direct contact and local knowledge

KIIF Risk Management



- Hedging was not permitted in Korea until 1997; KIIF was among the first funds to hedge in Korea once hedging was legalized
- The KIIF portfolio is generally diversified into not less than 40 holdings, with not more than 10% in any single stock. The fund is Korea's only directional long-short fund, and is able to short individual stocks, Korea's stock exchange indices, and the Korean Won relative to various world currencies.
- To provide leverage up to a 150% long / 50% short structure, KIIF utilizes a prime lending account with Korea Investment & Securities
- We constantly monitor governance, political, and currency risk
- We monitor all Korean online news sources daily

KIIF Facts



Inception Date: 11/23/1992

Benchmark: Korean KOSPI Index

Minimum Initial Investment: \$100,000

Management Fee: 1.00%

Performance Fee: 10%

Data Sources:

Bloomberg: KIIF001 VI

Cusip: G5311X103

ISIN: VGG5311X1033

Lipper: 60070423

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KIIF Disclosure Statement



Korea International Investment Fund (“the Fund”) is not insured by the FDIC or any other government agency, and is not registered under the USA Securities Act of 1933 or the Investment Company Act of 1940. Investing in foreign securities may involve certain additional risks, including exchange rate fluctuations, less liquidity, greater volatility, and less regulation. Single country funds may be subject to a higher degree of market risk than diversified funds. Furthermore, leverage has the potential of magnifying losses during periods of market weakness. As the Fund is actively managed on a daily basis, sector allocation, security type, and market cap data set forth in this document do not represent the current or future composition of the portfolio. Fund returns are net of all fees and expenses and assume reinvestment of all interest income, dividends and capital gains. Fund performance is past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data presented in this document. Please email inquiries@iia-funds.com to obtain the Fund’s most recent performance.