



KIIF

Korea International Investment Fund

1Q 2009

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 16+ years of investment experience in Korean equity markets**
- **Since inception, KIIF has outperformed the Korean market by more than 200%**
- **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 and local Korean market experts visiting local companies every week**
- **KIIF is offered with no lock-up, no redemption fees and no load**

The International Investment Advisers Advantage

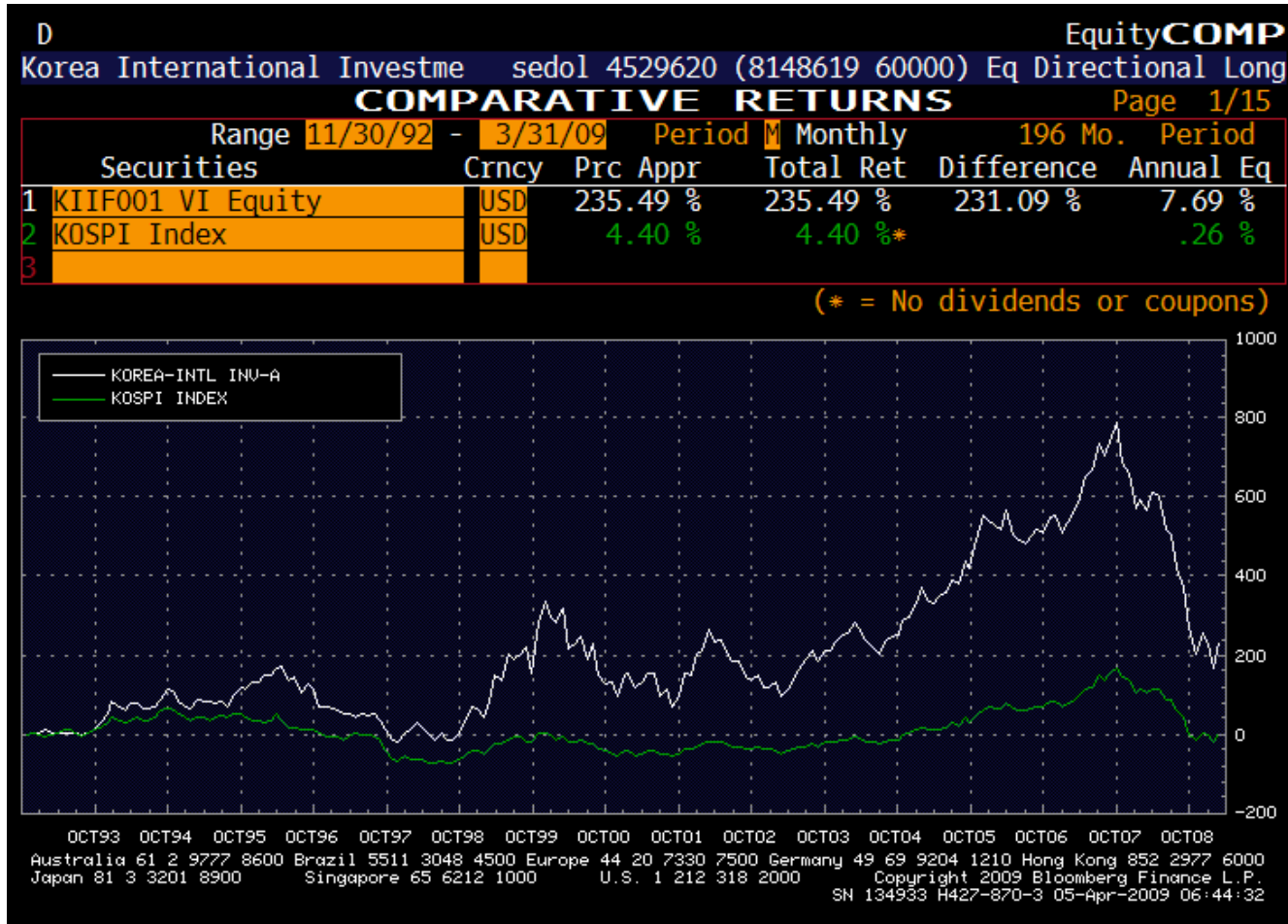


- **Opportunity:** The Korean market is significantly undervalued against other emerging markets in Asia and elsewhere. The average Price/Earnings ratio of stocks on Korea's KOSPI index is about 10x. At the same time, Korea's stock market now ranks as the 12th most liquid market in the world, with average daily trading of nearly \$7 billion in 2007.
- **Experience:** Since inception, IIA has almost two decades of experience in the Korean Market, which can be challenging to outsiders. Our seasoned investment professionals, one who lives in Seoul, are long-term participants in Korea's financial markets.
- **Flexibility:** The KIIF portfolio is generally diversified into not less than 20 holdings. KIIF employs a macro directional investment strategy. It was among the first Korea funds to hedge, and has employed risk management strategies directionally in 1997-1998, 2000-2002, and 2008.

The International Investment Advisers Advantage

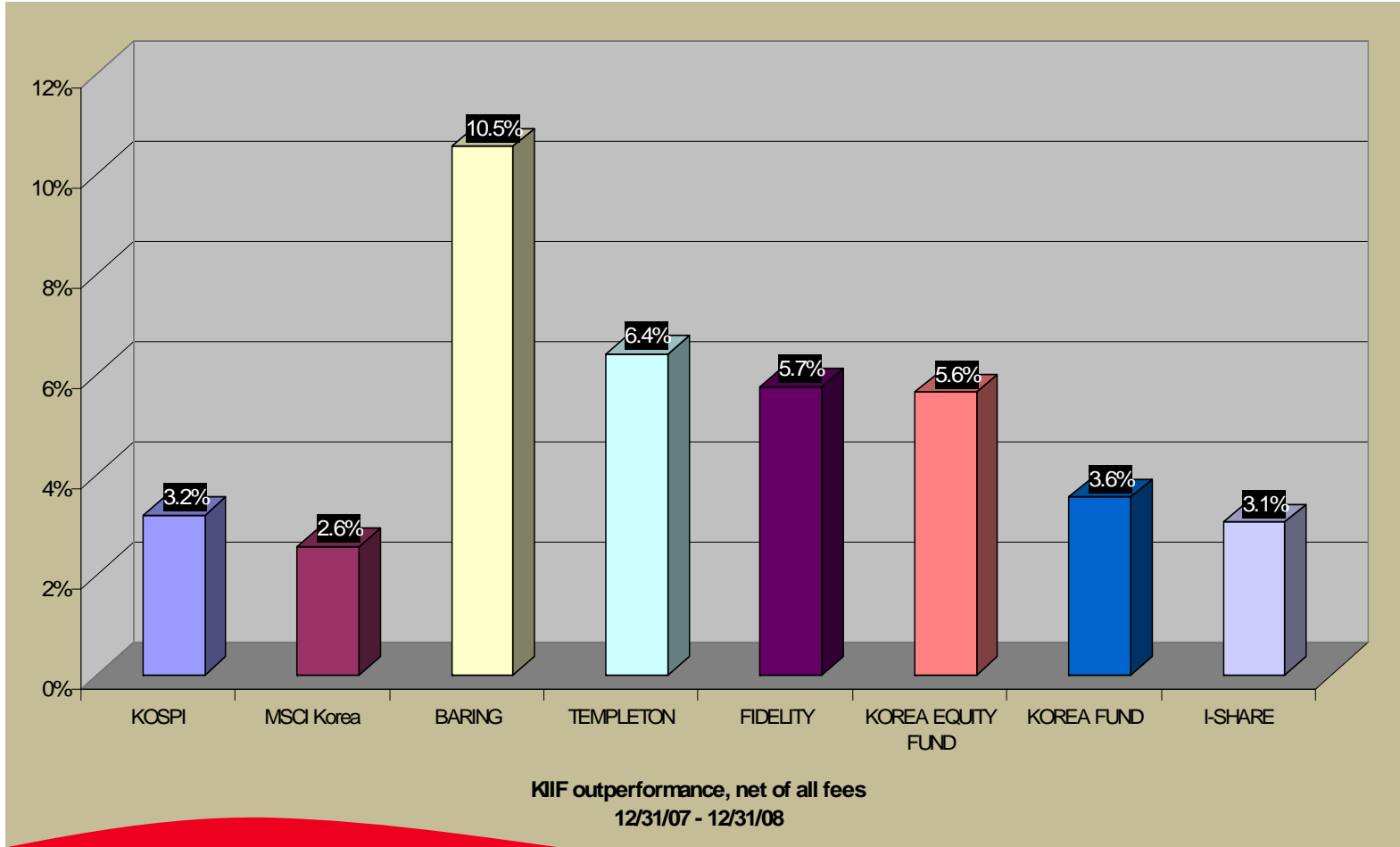


Outperformance vs. KOSPI



Despite the 2008 downturn, KIIF has a 7.69% lifetime annualized return, and has outperformed the Korean market by 231%

KIIF 2008 Outperformance vs. Competitors



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.

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

IIA Board Of Directors



- **Alex Hammond-Chambers, former Chairman of Edinburgh based investment management firm Ivory & Sime.**
- **John P. Clay, co-Founder of Clay Finlay, Inc., currently a \$5.5 billion asset management company.**
- **Patrick Louppe, Former IBM Executive.**
- **Henry Seggerman, President, International Investment Advisers.**

The Fund has had an independent Chairman and independent majority since inception.

KIIF analyst on the ground in Seoul



Sun Hee Lee

- Securities Analyst
- More than twelve years with KIIF
- Conducts on-site company visits
- Involved in idea generation
- Votes on behalf of clients at major AGMs
- B.A., Biochemistry, University of Virginia

KIIF client servicing



Martine Yourieff

VP/Client Services & Operations

- 15+ years with KIIF
- Asst. to the President of FKI-Babcock Industries
- Personal Asst. to the Managing Director of Seiko Time Ltd. (Hong Kong)
- Personal Asst. to the Managing Director of Conframin Ltd.
- Asst., Australian Embassy, Brussels
- Assistant, 3M Corp., European headquarters, Brussels
- Graduate of the Institute of Linguists/RSA
- Graduate of High Wycombe College of Technology and Art

Why Korea

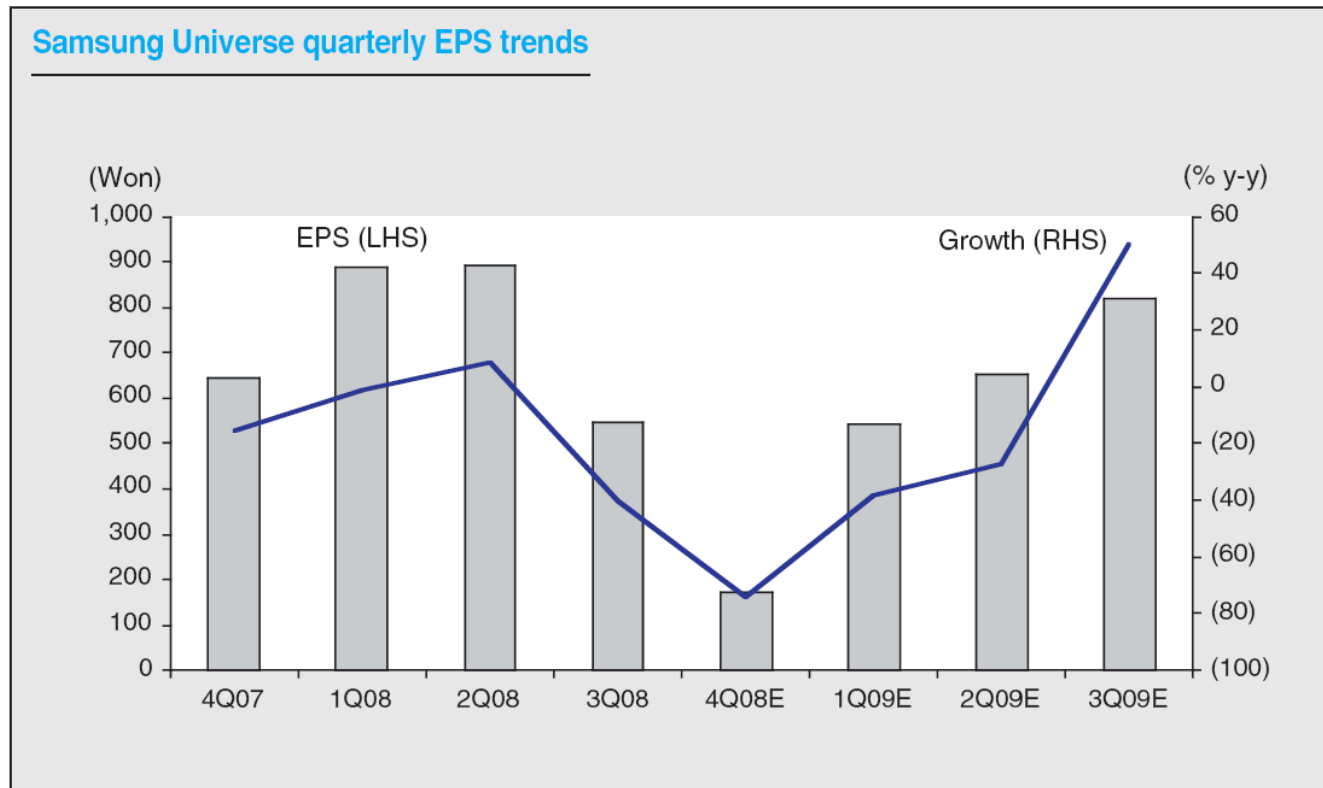


- Home to some of the world's fastest growing companies including the world's top 6 ship builders, top 2 memory-chip manufacturers, top 2 picture tube manufacturers and #1 high-speed internet provider
- Significant undervaluation of Korean businesses vs. U.S., Japanese and European entities
- Sixth-highest foreign reserves level in the world, \$200 billion
- Sovereign debt has been upgraded by Moody's and S&P
- 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



Despite worldwide slowdown, Samsung forecasts resumed earnings growth for listed companies this year



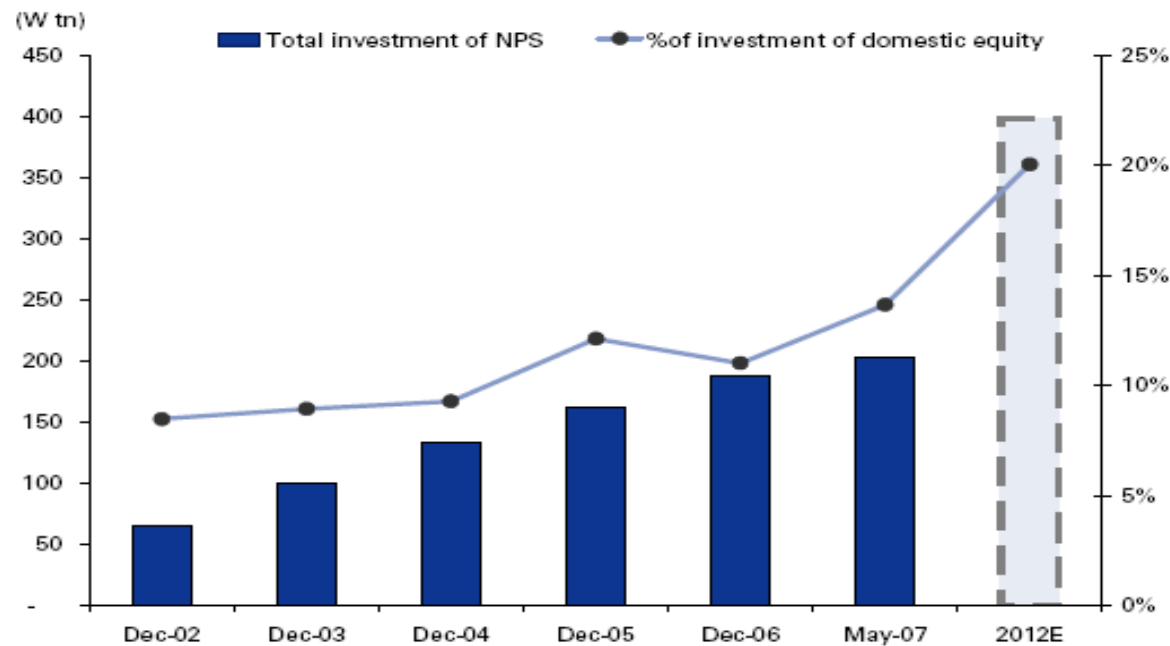
Source: Samsung Securities estimates

Why Korea



Exhibit 8: National Pension likely to reach W400tn by 2012E...

National Pension Funds total investment vs. % of investment in domestic equities



Government plans to double pension equity allocation over six years

Source: Korean National Pension Service.

KIIF Investment Strategy



- Proprietary, consensus-driven model with local resources
- Fundamentally based, direct investment in Korean equities
- High levels of forecasted EPS growth
- Low Price/Earnings-to-Growth (PEG) Ratio
- Reduced risk through broad diversification across most Korean market sectors
- Buy orders for target companies aim for oversold conditions
- Sell orders aim for stock prices which have rallied strongly

KIIF Investment Strategy



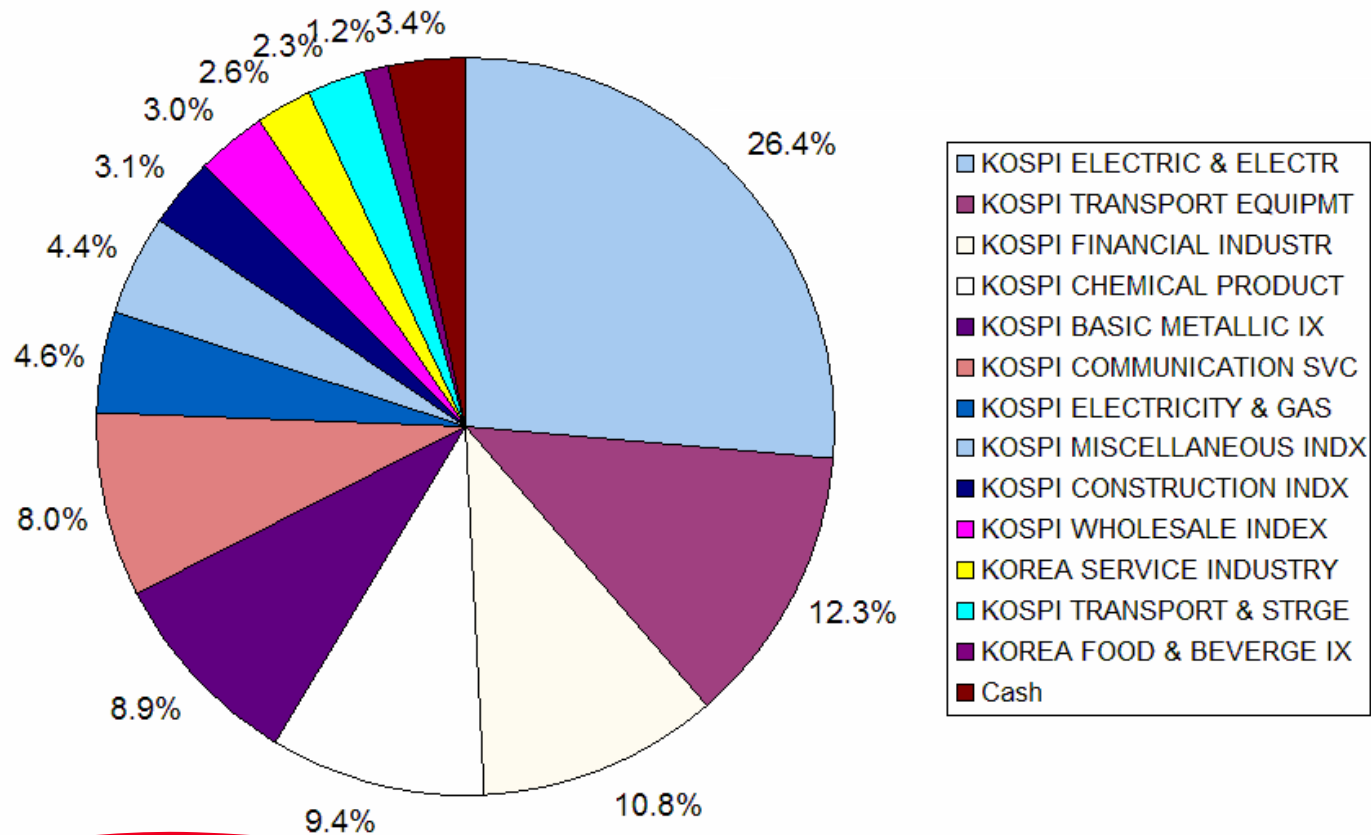
Opportunity: Turnaround plays -- Government bailouts & support measures

KIIF Advantage: Insight into policymakers and political process

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

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

KIIF Broad Sector Diversification



KIIF Risk Management



- Hedging was outlawed in Korea until 1997; KIIF was among the first funds to hedge in Korea once hedging was legalized
- KIIF has employed various risk management strategies, including hedging the indices, the currency, short positions on individual stocks, and raising cash. KIIF has employed these strategies directionally in 1997-1998, 2000-2002, and 2008
- We constantly monitor governance, political, and currency risk
- We monitor all Korean online news sources daily

KIIF Analytics



	EPS Growth 2007-2010	PE/ Growth	EV/ EBITDA	Price/ Cash Flow	ROE	Operating Margin
KIIF	12.5%	0.91	7.7	6.1	17.0	13.1%
Korean Market	6.9%	1.72	12.6	9.7	15.3	12.5%

Stock selection
resulting in
superior
valuations

KIIF Facts



Inception Date: 11/23/1992

Benchmark: Korean KOSPI Index

Minimum Initial Investment: \$100,000

Management Fee: 1.585%

Performance Fee: 15%

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. 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 call (212) 977-0526 or email henry.seggerman@iia-funds.com to obtain the Fund’s most recent performance.