

KOREA INVESTMENT VALUE ASSET MANAGEMENT

true friend **Korea Investment**
Value Asset Management

KOREA INVESTMENT VALUE ASSET MANAGEMENT :
Korea's value investing pioneer



Trailblazer in value investing

Korea Investment Value Asset Management (KIVAM) was established in 2006 as Korea's first asset management company specializing in long-term value investing. With 18 investment professionals wholly dedicated to finding value stocks in the Korean market, we provide a variety of strategies, vehicles, and advisory services to our clients. We manage assets for a broad range of clients, including corporations, pension funds, government and financial institutions, and retail investors.

A robust foundation

KIVAM is a subsidiary of Korea Investment Holdings, one of the major financial holding companies that lead the Korean financial services industry. Our parent company, Korea Investment & Securities was established as an investment trust company in 1974 and has since grown into one of the largest profit-generating investment banks in Korea. On the shoulders of such strong financials, KIVAM has bolstered its organizational stability and reliability.



GROWING WITH CLIENTS' TRUST :

Our success is linked to our investors' success.

We pride ourselves in having achieved consistent long-term investment performance for our clients.

Substantial AUM growth

Since our foundation in 2006, we have been experiencing strong growth in assets under management, which reflects our continued efforts to deliver excellent investment performance.

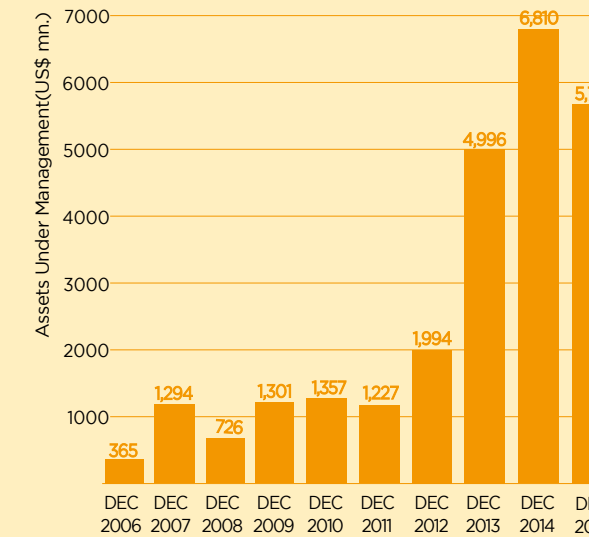
Strong position in equity and hybrid fund market

Our flagship equity fund 'Korea Value 10-Year Investment Fund' is the fourth largest publicly placed equity fund in Korea with a AUM of US\$1.3 billion.

Our combined AUM of hybrid funds amounts to US\$1.7 billion, ranking first place in terms of size among asset managers managing hybrid funds.

Market leader in pension fund market

We are the third largest asset manager in Korea's retirement pension fund market with a AUM of US\$0.8 billion, while also accounting for a significant share in the personal pension market.



Data as at December 2015.

Awards

Our accomplishments have gained us some noteworthy recognition.



Fund House of the Year - Korea



· Best Korean Equity Manager
· CIO of the Year



· Best Pension Fund Manager
· Best Retail House

BUY INTO COMPANIES, NOT THE MARKET :
We employ a research-intensive, bottom-up fundamental value approach to generate solid long-term performance, with managed risk.

Invest in fundamental, intrinsic value

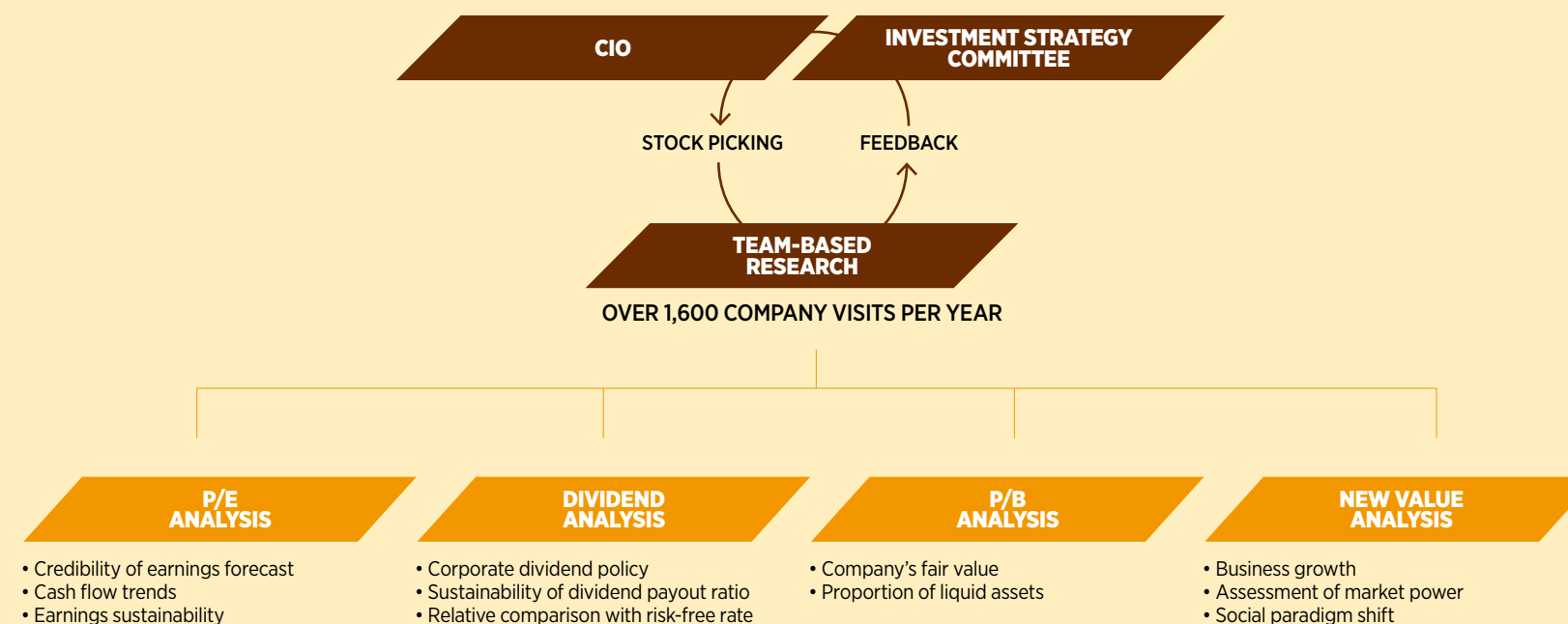
Many companies are unknown in the Korean stock market. Among them are companies trading below their intrinsic value, due mainly to misconception, prejudice, and ignorance prevailing in the market. Rather than invest in the market or a particular sector, we focus on the fundamental value of the underappreciated company. Among those undervalued companies trading for less than their intrinsic value, we pick those having potential to reach their fair value in the future, and “buy and hold” them until their fair value is fully reflected in their share price.

Maximize long-term returns

Our investment objective is to deliver a maximum compound rate of return to our clients, by discovering the fundamental value of stocks that have been ignored by the market. Under the principle of “investing without losing principal,” we endeavor to strike a balance between stability and profitability. We aim to steadily increase absolute returns over the long term by preventing losses rather than pursuing short-term gains, and by minimizing the volatility in returns caused by market fluctuations.

Conduct thorough, bottom-up research

We believe that our bottom-up approach to identifying well-performing but undervalued stocks holds the key to the success of our value investing. We favor companies that can determine their own destiny in the face of any external circumstances. We make decisions on which stock to invest in, only after combining both quantitative indicators and qualitative data, and conducting in-depth analysis into the company’s P/E ratio, P/B ratio, new value, and dividend payout, etc.



EXTENSIVE LOCAL EXPERTISE :

Our strong local network, experience, and in-depth knowledge are key to achieving consistently strong investment returns.



Years of experience in local market

Our professionals function as both analysts and portfolio managers, conducting specialized and independent research to identify stocks that have been overlooked by the market. We have sufficient experience and accumulated expertise required for successful value investing in Korea. We have developed an accurate understanding of and valuable insights into the Korean market, turning our understanding, proficiency, and intuition into a well-built research database.

Never investing “sight unseen”

We conduct in-depth research on the fundamentals that are not disclosed in the financial statements via visits to companies including its competitors, vendors, and distributors across the value chain. Our excellent research competence has been proven in both the depth and the extent of analysis. A pool of 18 investment professionals make more than 1,600 in-person company visits annually including more than 1,000 visits to small- and mid-sized companies that are not covered by most sell-side analysts.

Portfolio minimizing market volatility

In our efforts to keep our performance unaffected by market fluctuations, we are never negligent in managing risk. We strive to cap the valuation of its overall portfolio at 20-30% lower than the market average. By doing so, we seek to achieve low risk and middle return, while greatly reducing our portfolio's exposure to the volatility the market brings.



THE VALUE TEAM :

With strong teamwork and dedication we strive to adhere to our value investing principle.



Cohesive team of seasoned professionals

Our pool of 18 experienced professionals is definitely our most vital asset. Their competence in specialized and focused research and years of experience with portfolio management has granted them the competitive edge over their peers. Our senior managers have been working as a team for more than 15 years. They have consistently followed their investment philosophy, while sharing their experience and insights along the way.

Birthplace for true value investors

In order not to dilute our value philosophy, we decline to hire managers from other companies who have experienced different approaches. Since our incorporation, we only take on new recruits through an established screening process, with a view toward transforming them into genuine value investors who uphold the principle of long-term value investing.

The pioneer of Korea's value investing

Chai-won Lee, CIO of KIVAM, began a new chapter in Korea's asset management history by causing the principle of value investing to take root in Korea. As a leading advocate of value investing in Korea, Lee managed Korea's first value equity fund and has served as a dedicated value investor for the past 20 years. He has developed his own investment creed, "The most successful investing is investing without losing principal," and has since consistently adhered to this principle.



INVESTMENT CAPABILITIES :

We offer a wide range of value-oriented investment strategies and a diverse set of investment vehicles in order to support a variety of investment requirements.

OUR INVESTMENT STRATEGIES

Holding fast to our value investing principle, we offer various investment strategies.

Core value strategy

We invest in significantly undervalued stocks, instead of tracking benchmarks. We aim to achieve stable absolute returns across small-, mid-, and large-cap stocks in all sectors.

Sector-neutral value strategy

We invest in the most undervalued stocks within the market-weighted sector in an attempt to record above-benchmark returns.

Dividend value strategy

Among undervalued stocks, we focus on stocks that reward investors with stable but high dividends.

Small- and mid-cap value strategy

This strategy invests primarily in small- and mid-cap value stocks.

Blended value strategy

By optimally allocating undervalued stocks and bonds, we seek the maximum compound rate of return in a stable manner over the long term.

OUR INVESTMENT VEHICLES

We have in place a variety of investment vehicles designed to satisfy the needs of our clients. We serve both retail and institutional investors at home and abroad.

Publicly placed funds

We manage publicly placed funds to which both retail and institutional investors have access.

Privately placed funds

We manage privately placed funds tailored to the specific needs and styles of a small number of investors.

Institutional separate accounts

We provide separate account solutions to institutional investors.

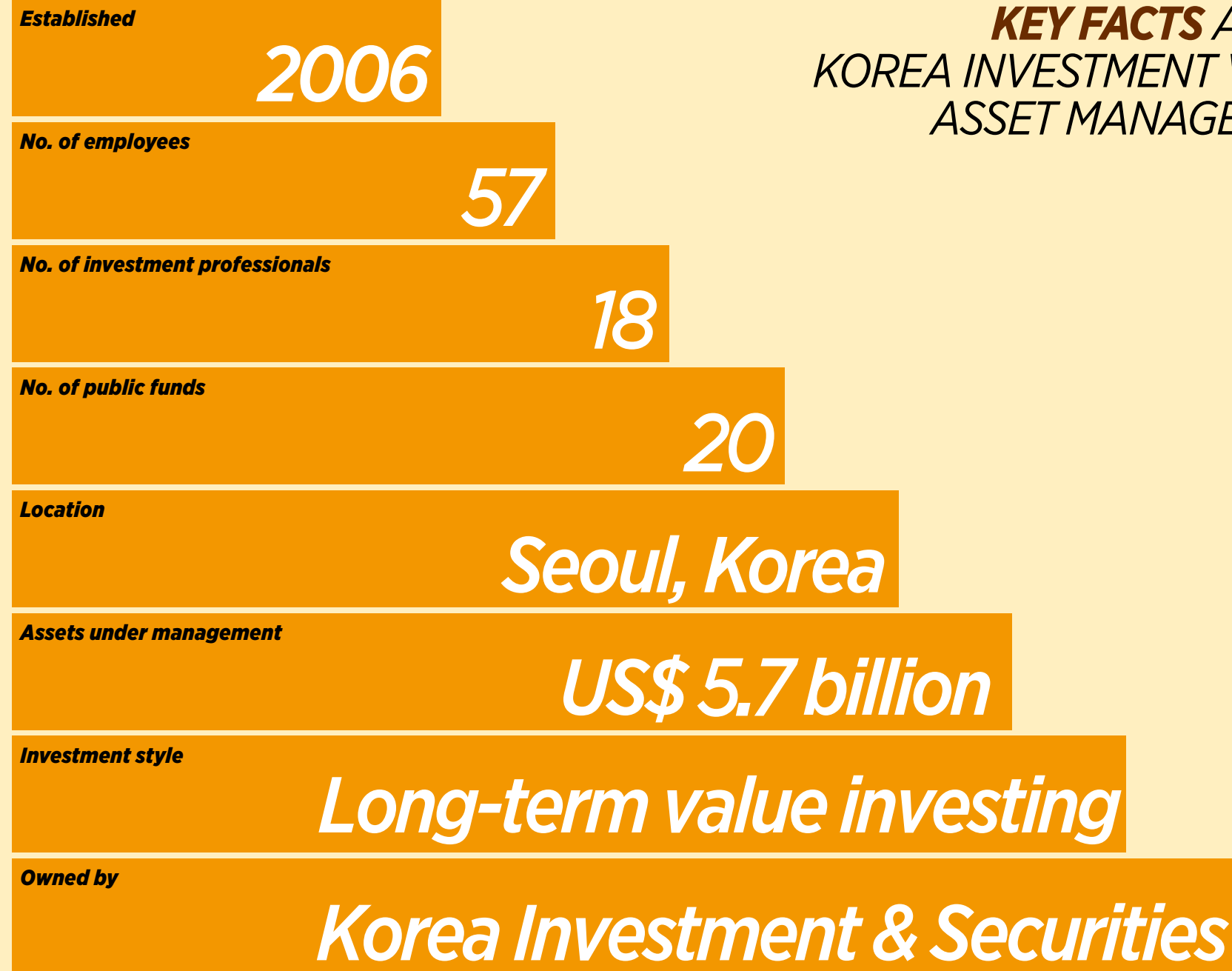
Advisory services

We offer investment advice to institutional investors.

SICAV

We have established and managed UCITS-compliant SICAV in Luxembourg.

KEY FACTS ABOUT
KOREA INVESTMENT VALUE
ASSET MANAGEMENT



Data as at December 2015.

IMPORTANT INFORMATION

Investing involves risk. The value of investments and any income generated may go down as well as up and is not guaranteed. Past performance is not indicative of future performance. This document is for informational purposes and does not constitute an offer or solicitation for the purchase or sale of any financial products or investments. Any views and opinions contained in this document are those of KIVAM as at the date of issue and are subject to change. KIVAM accepts no liability whatsoever, whether direct or indirect, that may arise from the use of information contained in this material. This material has not been reviewed by any regulatory authorities. KIVAM is authorized and regulated in Korea by the Financial Supervisory Service (FSS).

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