

FMG RISING³ Fund

A Multi-Manager **Russia, India and China** Fund

September 2006
www.fmgfunds.com

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Rising³ Fund



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FMG RISING³ Fund,

a Multi-Manager China, India and Russia Fund,

offers investors an unique and easy way to participate with a number of outstanding managers in this exciting part of the world.

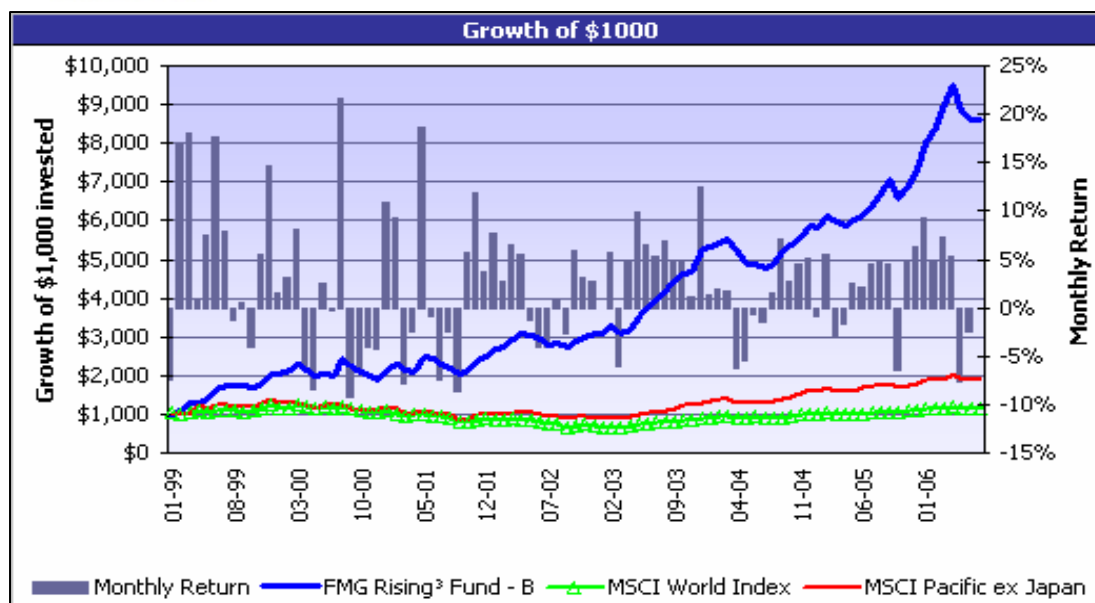
- ❖ **FMG Rising³ Fund** invests only in China, India and Russia aiming to achieve long-term returns by allocating to some of the most successful managers in the region.
- ❖ The strategic country allocation aims to assign a third of the portfolio to each country; nonetheless, the actual country allocation may vary in respect to each country's market volatility at any given time.
- ❖ The Fund will have a mix of traditional long-only and hedge managers although the majority will be long-only focused.
- ❖ The Rising 3 countries have nearly half the World's population, and more importantly, their stock markets are selling at deep discounts vs. the West.



FMG Rising³ Fund returns



◆ 1/3 China ◆ 1/3 India ◆ 1/3 Russia



	Annual Returns			
	2003*	2004	2005	2006 YTD
Rising³ Fund - B	29.7%	11.6%	24.7%	17.1%
MSCI Golden Dragon	44.0%	10.8%	6.3%	6.9%
MSCI India	18.9%	16.5%	35.4%	9.0%
MSCI Russia	70.3%	4.1%	69.5%	34.8%
Pacific ex. Japan (MSCI)	41.3%	24.6%	10.2%	8.5%
USA (S&P)	26.4%	9.1%	3.4%	1.8%

Pro forma figures prior to start on November 2003, net of all relevant FMG fees, based on actual results on underlying managers.

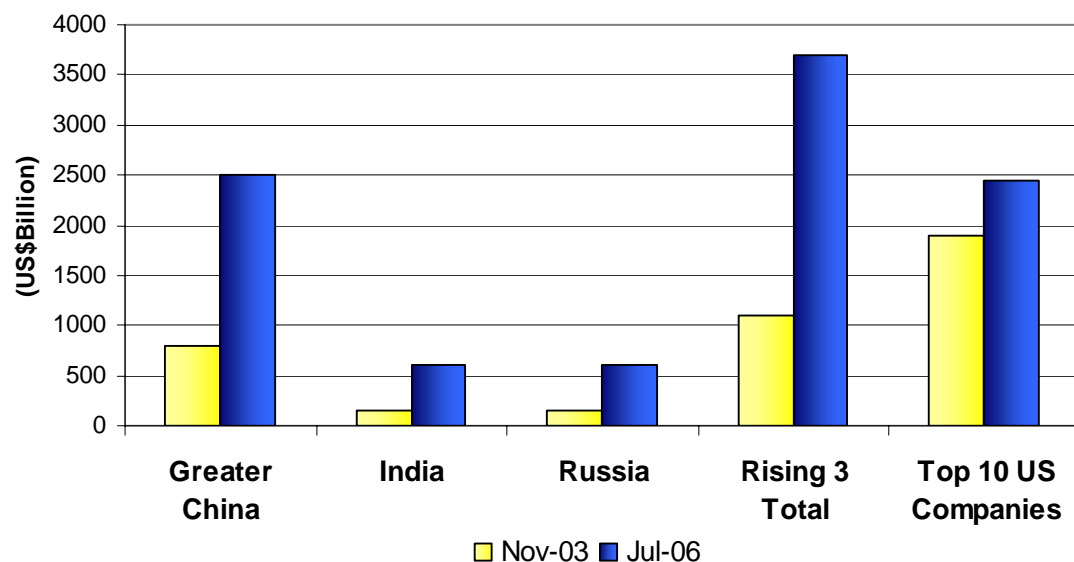
Rising³ Fund



FMG Rising³ Fund Opportunities



Stock Market Capitalisation, Now vs. Then

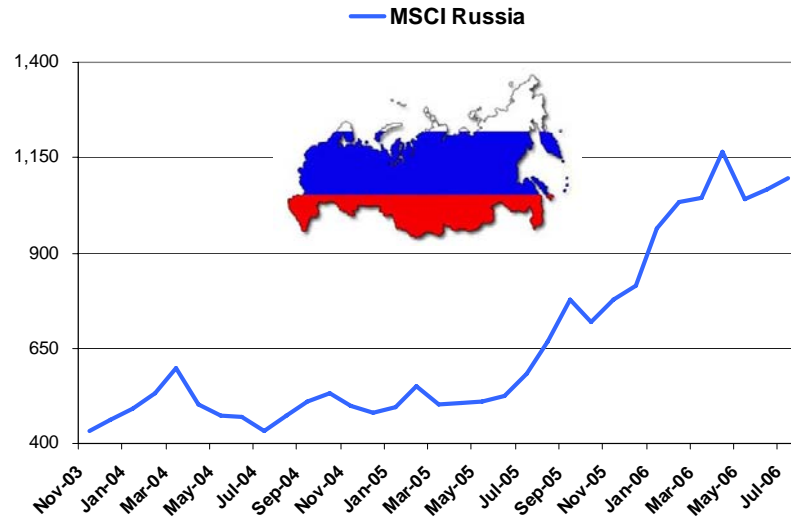


- ❖ In November 2003 (inception date of FMG Rising³ Fund), the total market capitalization of the Rising 3 markets is only equivalent to the top five US companies.
- ❖ Nonetheless, as of July 2006, the market capitalization of the Greater China portion alone is more than the top ten US companies!
- ❖ FMG believes the growth trend in the Rising 3 markets will continue and most likely outpace the Western World.





Russia since the BRIC Report



Year	Projected GDP (US\$ Billion)			
	Russia	USA	Japan	Germany
2025	2264	18340	5567	2604
2050	5870	35165	6673	3603

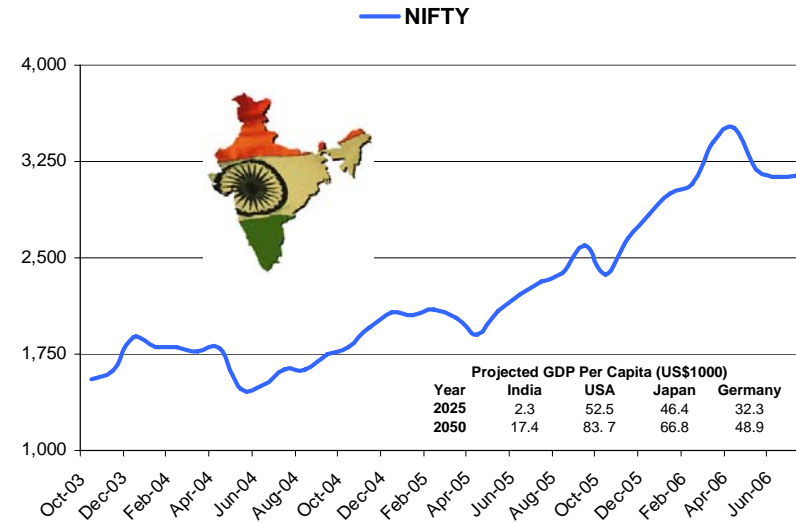
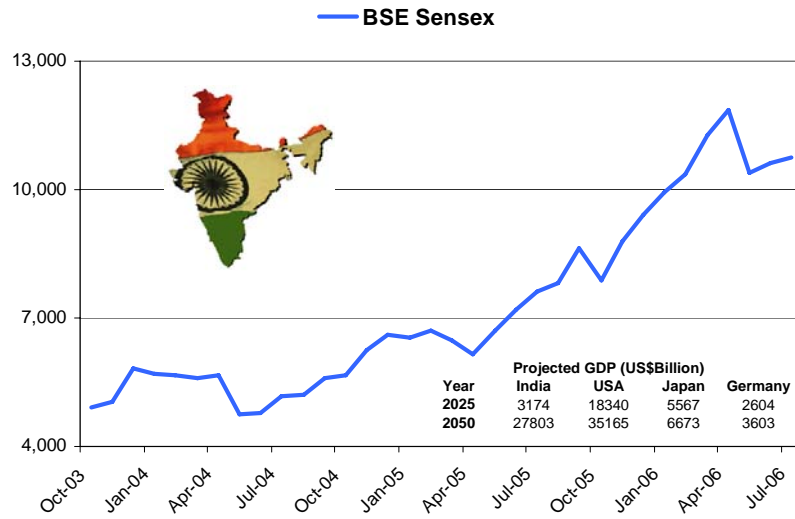
Year	Projected GDP Per Capita(US\$1000)			
	China	USA	Japan	Germany
2025	7.1	52.5	46.4	32.3
2050	31.4	83.7	66.8	48.9

- ❖ Russia has an abundance of natural resource, specially oil and natural gas.
- ❖ Russia has the lowest credit growth among BRIC countries, with significant room for expansion; credit should fuel investment.
- ❖ Russia stocks are even cheaper vs. their peers in other BRIC countries.
- ❖ Natural resource prices are expected to remain at high levels due to continued global consumption and industrial production strength in emerging economies.
- ❖ The stock market performance mainly driven by natural resource prices and domestic consumption.





India since the BRIC Report

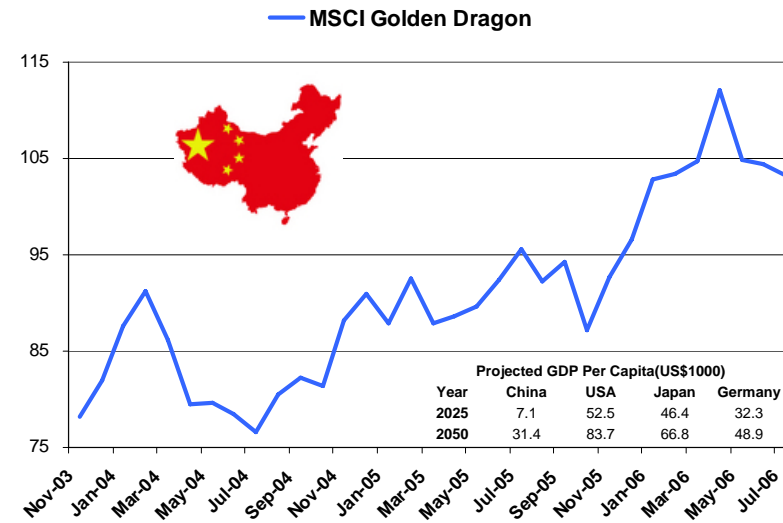
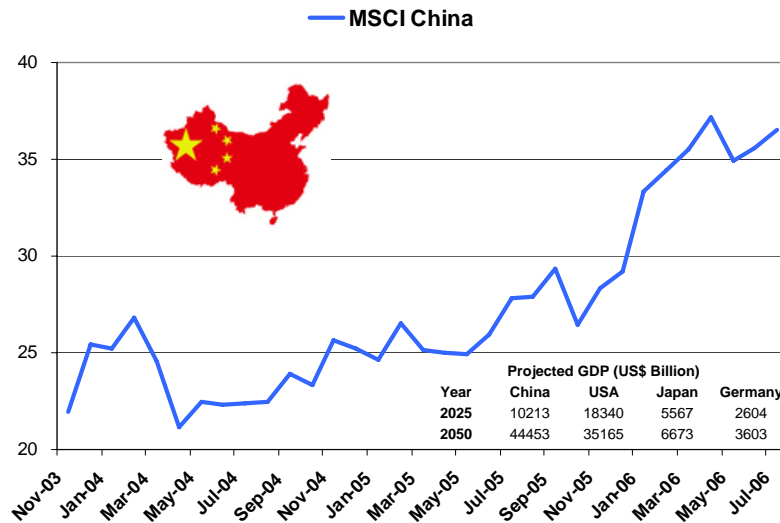


- ❖ India continues to benefit from Global Outsourcing with an unmatched demography; India has one quarter of the world's youth live in India, and 54% of the Indian population is younger than 25 years age.
- ❖ India currently exports only 16% of what it produces/manufactures domestically.
- ❖ India current GDP is about \$800 bn, and current market cap is about \$600 bn (for developed economies the GDP: Market Cap Ratio is 100%-150%).
- ❖ India registered an average growth rate of 8% pa. for the past 3 years; it will outpace the rest of the world including China over the next 3-5 decades.





China since the BRIC Report



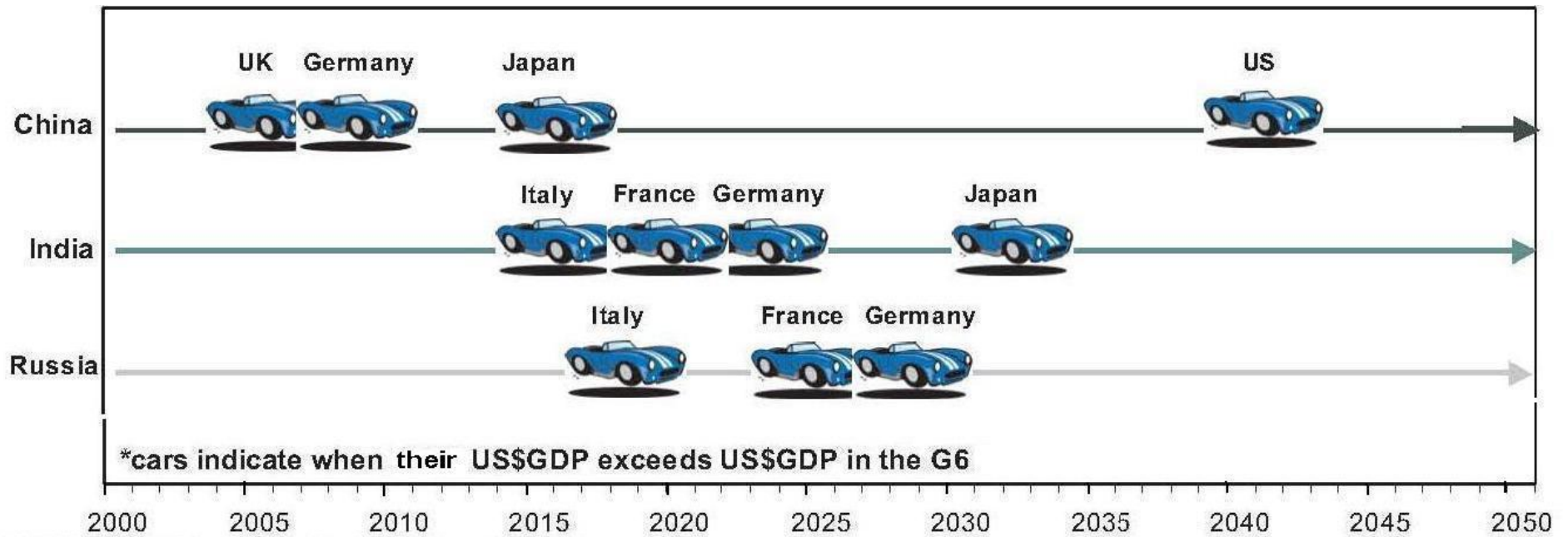
- ❖ H-Share companies raise to the power: many of them have emerged to become the top companies in the world in terms of sales/profits, assets and market value, such as China Petro, China Mobile and etc.
- *H-Share are shares of State-owned companies listed on the Hong Kong Stock Exchange.
- ❖ Many new growth sectors are emerging from deregulation, wealth accumulation and most importantly, the growing domestic consumption, the ultimate growth engine.
- ❖ Private sector companies also began to flourish encouraged by boarder access to capital and overseas listing.
- ❖ New breed of Chinese entrepreneurs with western education and corporate experience.
- ❖ The last untapped emerging market opportunity: China Mainland A Share



“The Big Race”



When is China, India and Russia overtaking the G6 GDP's?



Source: Goldman % Sachs, Global Economics Paper NO.99



Terms and Conditions



- ❖ **FMG Rising³ Fund** was launched on November 1, 2003, as a Bermuda based Fund.
- ❖ The Fund is listed on the Irish Stock Exchange.
- ❖ Currency: US\$, Euro, GBP, and Norwegian Krone (NOK).
- ❖ Monthly NAVs are published on www.fmgfunds.com
- ❖ Monthly subscriptions with 5 business days notice and redemptions with 10 Business Days notice prior to the 1st day of the month (class A), 20 business days days notice (class B)
- ❖ Minimum Initial Investment: US\$10,000 (class A) or the equivalent. US\$ 100,000 (class B)
- ❖ Subscription Fee: up to 5%.
- ❖ Redemption Fee: 0%.
- ❖ Management Fee: 2% (class A) and 1.5% (class B).
- ❖ Incentive Fee: 20% (class A) and 10% (class B)
- ❖ Custodian: Bank of Bermuda, Bermuda, (HSBC group)
- ❖ Administrator: Apex Fund Services Ltd, Bermuda.
- ❖ Lawyers: Appleby Spurling Hunter, Bermuda.
- ❖ Auditors: KMPG, Bermuda.



For Further Information



❖ FMG, Eurasia Limited
Mr. Charles Cantlie
Trafalgar House
11 Waterloo Place
London SW1Y 4AU
Tel: 44 20 7864 4074
Fax: 44 20 7864 4077
Mobile: 44 7860 96 8427
e-mail: charlie@fmgfunds.com

Mr. Avon Cayzer
Tel: 44 20 7864 4075
Fax: 44 20 7864 4077
Mobile: 44 7860 96 8867
e-mail: avon@fmgfunds.com

❖ FMG ASA, Norway
Mr. Haakon Nissen-Lie
Tel: 47 22 01 21 30
Fax: 47 22 01 21 31
e-mail: info@fmg.no
www.fmg.no

❖ FMG, Sweden
Mr. Fredrik Edensvard
Tel: 46 8 545 06 181
Fax: 46 8 545 06 189
e-mail: fredrik@fmg.se

Mr. Steffan Palm
Tel: 46 8 545 06 182
Fax: 46 8 545 06 189
e-mail: steffan@fmg.se

❖ FMG Finland and The Baltic States
Mr. Kaj-Olof Lindgren
Tel: 358 40 512 0641
e-mail: kajolof@fmg-hki.com

❖ Apex Fund Services Ltd.
Mr. Peter Hughes
Suite 502, 5th Floor
International Centre
26 Bermudiana Road
Hamilton HM 11, Bermuda
Tel: 1 441 292 0588
Fax: 1 441 292 1884
e-mail: peter@apex.bm

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