

## EFG Hermes invests USD 21.5 million in Frontier Investment Management Partners Limited

**Cairo, July 18<sup>th</sup>, 2017:** EFG Hermes UAE Limited (“EFG-Hermes” or the “Company”), a wholly owned subsidiary of EFG Hermes Holding S.A.E., has entered into definitive agreements to invest USD 21.5 million in Frontier Investment Management Partners Limited (“FIM”). Established in 2008, FIM has grown over the past few years to become one of the region's leading managers with USD 1.6 billion of Assets under Management (“AUMs”) and a management team with a stellar track record of investing client money. In order to achieve the targeted synergies from this investment, EFG Hermes will also seek the consent of its clients to contribute its regional (non-Egypt related) portfolios and funds into FIM during the coming six months. This comes in line with the announced strategy to grow the Company's AUM base, as the transaction will foster the EFG Hermes position as the region's biggest asset manager.

Following the investment, EFG will own 50% stake in FIM (the “Transaction”). The remaining 50% of FIM will continue to be held by its Founder and Chief Executive Officer Hedi Ben Mlouka (the “Partner”). The independence of the FIM management team will be maintained with Hedi Ben Mlouka retaining his position as Chairman and CEO and will continue executing the current strategy of FIM of delivering unique returns to its institutional investor base. FIM will join Egyptian Portfolio Management Group “EPMG” and Hermes Fund Management “HFM” (Egypt based Asset Management entities), Vortex and Rx Healthcare as members of the EFG Hermes Asset Management businesses, while retaining its independence, brand name and autonomy in investing across regional and frontier capital markets. EFG Hermes will provide FIM with all the support (including seed- capital) it needs to execute on its business plan.

Through its 50% shareholding, EFG Hermes will be able to fully consolidate FIM into its accounts starting the second half of 2017. While this shareholding structure is envisaged to stay intact for the foreseeable future, starting the fifth anniversary of the Transaction, EFG Hermes will have a call option on an additional 30% stake of FIM with the Partner having a reciprocal put option. The exercise price for such options will be determined based on the profitability of the FIM business at that time.

The Transaction was approved by the Dubai Financial Supervisory Authority. Following the completion of this Transaction, EFG Hermes will have USD 4.5 billion of public and private market AUMs.

**About FIM:**

Frontier Investment Management Partners Limited (“FIM”) is a specialist investment manager focused on emerging and frontier markets. The firm's assets under management are invested on behalf of university endowments, sovereign wealth funds, outsourced CIO's, and pension plans from North America, Europe, and the Middle East. The team consists of a diverse and experienced group of investment and non-investment professionals who are based in close proximity to their key markets. The team has built out a highly successful track record by implementing a disciplined fundamental research approach that underpins active investment strategy in emerging and frontier markets.

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