

East Capital unveils new Frontier Markets strategy

Highlights

- East Capital currently manages around USD 450m in regional frontier assets
- Expands investment universe to include further frontier markets
- Strengthens regional investment teams
- Opens a Dubai office early 2015
- Plans to launch a new Frontier Markets fund in December 2014
- Combining regional frontier market expertise into a new global strategy

East Capital, a specialist in emerging and frontier markets, announces today the launch of its new Frontier Markets strategy, combining its regional frontier market expertise into a new global strategy. The fund management group which has been investing in emerging and frontier markets for nearly two decades, has broadened its investment universe to include Africa, the Middle East and Latin America.

Peter Elam Håkansson, Chairman of East Capital, comments: “At East Capital, we believe frontier markets are the next generation of emerging markets. We have almost two decades of expertise in frontier markets such as the Balkans, the Baltics, Central Asia and have also entered Asian frontier markets more recently. Not only is this asset class very attractive, but more importantly our investment strategy based on fundamental research and stock picking is proven and works well. Staying true to our core investment philosophy, we are launching a fund focusing on frontiers globally”.

Speaking on the importance of frontier markets, **Emre Akcakmak, portfolio manager at East Capital, adds:** “Demographics are one of the key drivers. No matter what, young and growing populations in frontier market regions will, in the next couple of decades, continue to boost economic activity and therefore offer a vital engine for growth. Furthermore frontier markets are attractively priced, with 9x P/E valuations on average while developed markets are priced at 15x earnings and emerging markets at 11x. Frontier markets also provide a unique diversification opportunity.”

Dubai office opening and strengthening of the team

As part of East Capital's Frontier Markets strategy and the enlargement of its investment universe, the company will open a Dubai office (pending regulatory approval) in the first half of 2015, which will serve as a research hub for the region but also to service local investors, already today a significant part of East Capital's client base. East Capital has over the past year been adding to and building on its regional teams. The frontier markets team is headed by Peter Elam Håkansson, supported by highly experienced senior advisors, portfolio managers and analysts as well as traders, a chief economist and the head of corporate governance.

“East Capital is synonymous with exploring new markets and being on the ground. For nearly two decades, East Capital has successfully identified and invested in many companies across emerging and frontier markets which were in an early stage of development. Our recent visits to companies in Kenya, Saudi Arabia, Vietnam and Nigeria only confirm the positive growth trend for global frontier markets. In fact, if frontier markets were a continent they would account for 13% of world population but only 4%

of world GDP. We are taking an increasingly global perspective in our quest to find the best investments in the next generation of emerging markets around the world”, **adds Håkansson.**

Upcoming Fund launch

East Capital plans to launch a new fund focusing on global frontier markets, expected in mid-December 2014. The fund will invest in frontier markets, the next generation of emerging markets. The fund will have a global focus, spanning from frontier Asia through the Middle East and Africa to Europe and Latin America. The fund will also invest in fast-growing countries beyond the frontier, markets that today are unclassified but form the future generation of frontier markets. East Capital already manages around USD 450m in regional frontier assets across asset classes drawing on its longstanding track record and experience.

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Notes to editors:

Details on the new fund will be disclosed via a dedicated press release on or around 15 December 2014. At that point in time, all relevant fund information (including prospectus, key investor information and other fund information) will also be available on www.eastcapital.com.

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About East Capital

East Capital is a specialist in emerging and frontier markets. The company, founded in 1997, bases its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by its investment teams. East Capital actively manages EUR 2.9 billion in public equity, private equity and real estate. It is headquartered in Stockholm, with offices in Hong Kong, Kyiv, Luxembourg, Moscow, Oslo, Paris and Tallinn www.eastcapital.com