New Product Launch

Smaller Emerging Markets (SEMs) Opportunities Strategy

January 2020
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Assets Under Management

ASSETS UNDER MANAGEMENT

USD124.4B
As of 30 Sep 2019

Note: Assets under management include the assets managed by Fiera Capital’s partially-owned affiliates: Fiera Infrastructure, Fiera Private Lending, Fiera Real Estate and Fiera Comox.
Smaller Emerging Markets - Investment Team
Investment Team

Source: Fiera Capital, Bloomberg, 31 Dec 2019
Past performance should not be seen as an indication of future performance. Inherent in any investment is the potential for loss.
Why Smaller Emerging Markets?
What are Smaller Emerging Markets?
Our Investment Universe

USD 3.30 trillion total market cap
19,700 liquid stocks
Under researched, under owned

Source: Fiera Capital, 31 July 2019
What are Smaller Emerging Markets?
Looking beyond the MSCI GEMs benchmark

Largest EM countries dominate the benchmark

MSCI GEMs Index - $14.5tn

- China $7.2tn
- Korea $1.0tn
- Taiwan $0.8tn
- India $0.6tn
- Russia $0.6tn
- Brazil $0.3tn
- South Africa $0.2tn

81%

19 SMALLER COUNTRIES

Smaller Emerging Markets - $3.3tn

19 SMALLER COUNTRIES from MSCI GEMs Index

50 COUNTRIES ex. MSCI GEMs

Source: Fiera Capital, 31 Oct 2019 (Full Market Capitalisation of Shares in Index)
All numbers presented in US dollars
What are Smaller Emerging Markets?
Excess Economic Growth Estimate

- Smaller Emerging Markets are less covered than larger Emerging Markets
- Supporting corporate performance
- Generating attractive returns

Vietnam
Philippines
Indonesia
Sri Lanka
Pakistan
Argentina
Romania
Emerging
Developed

Estimated annual real GDP growth from 2010 to 2050
Source: Fiera Capital, Citigroup, as at 31 Jul 2019
What are Smaller Emerging Markets?

Lower Foreign Ownership

Source: Fiera Capital, Renaissance Capital as at 31 Jul 2019
Why Smaller Emerging Markets?
Market Inefficiencies: analyst numbers per stock

- Under-researched companies
- Market inefficiencies
- Investment opportunity for active management

Number of Analyst Stock Recommendations

Source: Fiera Capital, Bloomberg 31 Jul 2019

This information is presented as supplemental to the GIPS compliant presentation included at the end of this document.
Current Approach
Number of analysts recommendations on stocks per country
Source: Fiera Capital, 31 Dec 2019
This information is presented as supplemental to the GIPS compliant presentation included at the end of this document
Zoom in on the Middle East
“What if Foreign Ownership Limits were lifted?”

**Scenarios:**
1. MSCI / FTSE updates
2. Foreign Ownership Level (FOL) lifting
3. Strategic Ownership

**Regional MSCI Emerging Market Exposure**

**Jan 2019**
- East Asia: 55.32%
- South Asia: 9.27%
- Sub-Saharan: 6.19%
- CEE: 4.21%
- CIS: 3.68%
- South East Asia: 8.13%
- Latin America: 12.65%
- MENA: 1.83%

**Projected no FOLs**
- East Asia: 53.02%
- Latin America: 11.93%
- MENA: 7.40%
- Sub-Saharan: 5.52%
- CEE: 2.24%
- CIS: 3.68%
- South East Asia: 7.85%
- South Asia: 8.35%

Source: Fiera Capital, EFG Hermes, Goldman Sachs, charts as above as at 31 Jul 2019
**Emirates NBD**  
“Foreign Ownership Limit finally lifted”

**Country:** United Arab Emirates  
**Sector:** Banking  
**Market Capitalisation:** USD 23.6 billion  
**Volume Traded per Day:** USD 9.1 million

**Profile:**  
- No1 Bank in Dubai

**Valuation:**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>PER</th>
<th>P/BV</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENBD</td>
<td>6.7x</td>
<td>1.1x</td>
<td></td>
<td>16.2%</td>
</tr>
<tr>
<td>FAB</td>
<td>12.8x</td>
<td>1.7x</td>
<td></td>
<td>13.3%</td>
</tr>
<tr>
<td>RAJHI</td>
<td>13.5x</td>
<td>2.8x</td>
<td></td>
<td>21.0%</td>
</tr>
<tr>
<td>QNBK</td>
<td>12.1x</td>
<td>2.3x</td>
<td></td>
<td>19.4%</td>
</tr>
<tr>
<td>NBK</td>
<td>16.0x</td>
<td>1.9x</td>
<td></td>
<td>12.0%</td>
</tr>
</tbody>
</table>

**Catalyst:**

- Foreign Ownership Limit: Moves from 5% -> 20% -> 40%  
- Index Inclusion

For illustrative purposes only; to show the investment process. Source: Bloomberg, ENBD, Fiera Capital, 31 Dec 2019
Leejam Sports
“Benefiting from Social Reform”

Country: Saudi Arabia
Sector: Fitness
Market Capitalisation: USD 1.1 billion
Volume Traded per Day: USD 3.0 million

Profile
▶ The biggest fitness chain in Saudi Arabia: "FitnessTime"

Highlights
▶ Opened the first women’s gyms in Saudi Arabia
▶ Only Kuwait has a higher proportion of overweight women than Saudi
▶ First IPO with foreigner
▶ Valuation:
  - PE Ratio, 2020: 15.4x
  - EV/EBITDA, 2020: 8.6x

For illustrative purposes only; to show the investment process. Source: Bloomberg, Leejam, Fiera Capital, 31 Dec 2019
**Zoom in on ASEAN**

"High Growth Opportunity"

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**Vietnam**
- Population: 95.6m
- GDP (2018): USD 224bn
- Growth (2018): +7.1%

**Philippines**
- Population: 104.9m
- GDP (2018): USD 313.6bn
- Growth (2018): +6.7%

**Indonesia**
- Population: 264m
- GDP (2018): USD 1,016bn
- Growth (2018): +5.1%

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Source: Fiera Capital, Bloomberg, 31st Dec 2019
All Home
“Accompanying the Middle-Class”

Country: Philippines
Sector: Consumer
Market Capitalisation: USD 859 million
Volume Traded per Day: USD 2.6 million

Profile
- Fastest growing DIY retailer in Philippines

Highlights
- Subsidiary of largest Home Builder Villar Group
- High store growth:
  - Start 2019: 23 stores -> End 2021: 70 Stores

Catalyst
- Recent IPO
  - Under researched
  - Under owned

For illustrative purposes only; to show the investment process. Source: AllHome.com, Fiera Capital, 31 Dec 2019
MAPI
“Accompanying the Middle-Class”

Country: Indonesia
Sector: Consumer
Market Capitalisation: USD 1.3 Billion
Value Traded per Day: USD 1 Million

Profile
- Largest sportswear retailer in Indonesia
- Shareholder with a large portfolio of clothing brands

Highlights
- Attractive Valuation
- Strong growth

For illustrative purposes only; to show the investment process. Source: MAP Actif, Fiera Capital, 31st December 2019
**MNCN**  
*“Indonesian Market Dynamics”*

<table>
<thead>
<tr>
<th>Country:</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector:</td>
<td>Consumer</td>
</tr>
<tr>
<td>Market Capitalisation:</td>
<td>USD 1.8 billion</td>
</tr>
<tr>
<td>Volume Traded per Day:</td>
<td>USD 3.4 million</td>
</tr>
</tbody>
</table>

**Profile**
- Indonesia’s largest and most integrated media company (40% FTA TV market share) undergoing an impressive digital expansion

**Highlight**
- Attractive valuation and strong growth amid favourable macro conditions
  - 2020e PER: 9.3x
  - EV / EBITDA: 5.4x
- Revenue growth: 11%
- 2020e EBITDA margin: 45.6%

**Catalyst**
- End of price war with key competitor
  - Top-line growth due to associated rate card price increases

For illustrative purposes only; to show the investment process. Source: MNCN, Fiera Capital, 31 Dec 2019
OPAP
“Leveraging the Greek Consumer Recovery”

<table>
<thead>
<tr>
<th>Country:</th>
<th>Greece</th>
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</thead>
<tbody>
<tr>
<td>Sector:</td>
<td>Consumer</td>
</tr>
<tr>
<td>Market Capitalisation:</td>
<td>USD 4.1 billion</td>
</tr>
<tr>
<td>Volume Traded per Day:</td>
<td>USD 7.9 million</td>
</tr>
</tbody>
</table>

Profile
- Operator of Greek lottery & gaming

Highlight
- Privatisation led to operational transformation
- Capital discipline
  - From offline to a high growth online operator

Catalyst
- Consolidation of Stoiximan acquisition
- EURO 2020

For illustrative purposes only; to show the investment process. Source: OPAP, Fiera Capital, 31 Dec 2019
**Fondul Proprietatea**

“Steep discount on NAV”

**Country:** Romania  
**Sector:** Diversified  
**Market Capitalisation:** USD 2 billion  
**Volume Traded per Day:** USD 4.9 million

**Highlight**
- Romanian privatisation fund with local holdings

**Highlight**
- Leveraged play on Government’s privatisation plan and wider market
- Zoom in on the

**Catalyst**
- IPO of Hidroelectrica at potentially a big premium
  - The above would trigger sell down of OMV Petrom
  - Narrowing current discount to NAV

**SHARE / GDR PRICE INFORMATION**

- NAV/share (RON): 1.7339*  
- Share Price (RON): 1.2600**  
- Discount: -27.33%  
- NAV/share (USD): 0.4070*  
- GDR Price (USD): 14.40**  
- Discount: -29.24%

*This is the NAV / share as at 31 December 2019.  
**Trading data 15 mn delay.

For illustrative purposes only; to show the investment process. Source: Fondul, Fiera Capital, 31 Dec 2019
Genomma Lab
“Cosmetics & Care in LATAM”

Country: Mexico
Sector: Consumer
Market Capitalisation: USD 1.1 billion
Volume Traded per Day: USD 2 million

Profile
- Personal Care and OTC drug company in Mexico

Highlight
- Strong top-line growth leveraging existing portfolio geographically and through product innovation

Catalyst
- Launch of manufacturing facility in 1Q20
  - Expected to drive earnings growth of 40% this year
  - 700bp margin benefit

For illustrative purposes only; to show the investment process. Source: Genommalab, Fiera Capital, 31 Dec 2019
Summary

- **SEMS strategy to be launched in Q1 2020**
- Investment team to provide seed investment
- SEMs asset class provides ample inefficiencies
- High synergies with existing funds
- Outstanding track record

Source: Fiera Capital
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