



The 8<sup>th</sup> Annual London Conference

## Kick off your investment strategy to new frontiers

### **KICK OFF YOUR INVESTMENT STRATEGY TO NEW FRONTIERS**

As markets across Asia reach critical mass, Frontier Emerging Markets (FEMs) are expected to lead the next phase of EM investments due to their rapidly growing populations and rising incomes, among other favorable demographic and macroeconomic trends. A main theme among many of these countries is the modernization of their economies and opening-up of their markets, with major economic policy reforms at the forefront of their

respective governments' agenda to shift from commodity-dependent to more diversified economies.

Following the success of last year's conference, which marked our largest-ever turnout, our 8th Annual London Conference will bring together c-suite executives, investors and fund managers from the world's most compelling FEMs to network, share insights and explore potential investment opportunities.

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**The 8<sup>th</sup> Annual London Conference**  
10-13 September 2018 - Emirates Arsenal Stadium

## VENUE

### Emirates Arsenal Stadium, London, UK

Completed in 2006 with a capacity of nearly 60,000, Emirates Stadium is the third-largest football stadium in England and home to Arsenal Football Club. The stunning glass and steel construction is renowned across the United Kingdom and throughout the Europe and is the first in England to be equipped with HDTV.

When not being used to host high-profile sporting matches or as an audition stage in large TV productions, Emirates Stadium doubles as a venue for international conferences and summits, staying true to the global city's reputation as the world's financial center and its business-friendly environment. Welcoming over 14 million tourists per year, London is also home famous restaurants, shopping destinations, historical landmarks and cultural opportunities.

Getting to Emirates Stadium is simple. London's comprehensive public transport network will take you within a few minutes'

walk of the grounds and clearly located signs will help pedestrians find their way from stations or bus stops. The entrance for the conference will be through the South Entrance (Dial Square Restaurant), with the nearest tube station being Arsenal (Piccadilly Line), an approximately three-minute walk from the stadium. For a more detailed look at the layout of the stadium, please [click here](#).

For further details on convenient ways to get there, see [here](#). Alternatively, you can plan your best route by public transport using the [Journey Planner](#).

Emirates Stadium  
London N5 1BU  
United Kingdom  
Tel: +44 (0)207 7044030  
[stadium@arsenal.co.uk](mailto:stadium@arsenal.co.uk)



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### NAVIGATING THE NEW FRONTIER

In the tenth year of recovery from the global financial crisis, Frontier Emerging Markets are torn between tightening global liquidity – as the Fed and other central banks raise rates – and continuing upgrades to global growth estimates. Some FEM markets have borrowed heavily during the recovery, and they will have to navigate the transition to higher rates with care. In the background, longer-running trends - such as protectionism, the continuing rise of China and India, and technology-driven changes to global supply chains - are driving capital allocation and long-overdue rises in inflation.

Oil prices have recovered from their 2016 trough, but stock performance in oil exporters has diverged – Saudi stocks are already anticipating flows from the FTSE & MSCI upgrades in 2019, but UAE stocks have been out of favour in 2018. Rising oil prices are a headwind for

importers Pakistan and Kenya, but stronger FEM markets such as Vietnam and Egypt should be able to ride out the pressure. Nigerian stocks have also benefitted from higher oil prices, though a longer-term recovery may have to wait until after elections in early 2019. Elections are also critical for Pakistan's path in late 2018 and into 2019, five years into a strong investment-led recovery.

More broadly, defining the Emerging and Frontier investment universes remains an unsolved problem which will become even more acute as China opens up its capital account and leading EM countries reach developed status. The EM benchmark is dominated by East Asia and composition has shifted in favour of tech away from basic materials in the past decade. New benchmarks will emerge in which classic EM investment themes are played through a new list of Frontier Emerging Markets.



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## MARKET OVERVIEW

### **Growth in select MENA and FEM economies will outpace the global average...**

Global economic growth stood at 3.8% last year, the IMF estimates, and should tick up to 3.9% this year and next. Across our coverage universe, foreign capital flows are likely to continue favoring Egypt as the country delivers on its economic reform program, with falling interest rates and accelerating growth set to drive strong stock performance and positioning Egypt as a top pick within MENA and FEM. Nigeria is also at the forefront of FEM, where last year's devaluation, the recovery in oil prices and attractive valuations together promise good returns.

### **...but EM face headwinds...**

Emerging markets have been on a two-year rally that saw stocks and currencies hit their highest levels since 2007 – and institutional money flows into EM equities almost triple last year. As of early May, the MSCI Emerging Markets Currency Index has wiped out its year-to-date gains and investors have pulled more than USD 6 bn from EM bond markets since mid-April. US bond yields and a strong dollar will see capital inflows to emerging markets fall USD 43 bn this year to USD 1.22 trillion, the Institute of International Finance is now predicting.

### **...is US policy (partly) to blame?**

Federal Reserve Chairman Jerome Powell thinks the impact of US interest rate hikes on emerging markets “is often exaggerated,” but the lure of 3% yields on 10-year

US Treasuries — and the impact of a strengthening dollar — is difficult to ignore. The political backdrop is also in flux as the Trump administration withdraws from the Iran nuclear accord and rolls out a protectionist trade policy.

### **The greenback is on the march...**

It's the currency in which c. 40% of global trade is invoiced, and emerging markets collectively owe more than USD 2 trillion in USD-denominated debt. The US dollar has been on a tear in recent months, bolstered by higher short-term rates and quantitative easing at the US Federal Reserve, making the greenback more attractive to foreign investors: Yields on 10-year Treasuries are breaking the 3% mark with increasing frequency. Rising oil prices (prompted by the US decision to pull out of the Iran nuclear agreement) and a weaker euro are also bolstering the dollar.

### **...and so is oil**

Oil above the USD 70 mark is good news for the oil exporters in our coverage universe from Nigeria to Saudi Arabia, but could present challenges to growth and fiscal reform drives in net importers including Egypt. Saudi Arabia and Russia have signalled they will continue their production cuts into 2019, and Saudi appears unlikely to use its excess capacity to plug the gap that could open as US sanctions threaten to take Iranian crude off the board. New sanctions on Iran will ripple across its traditional oil export markets, particularly refineries in the UAE and Asia.



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## MARKET OVERVIEW (CONT'D)

### Outlook for China and impact of FEM

Industrial commodity prices are likely to be weaker in 2018 as China's government focuses on quality rather than quantity of future growth. Look for rising nitrogen fertilizer prices and good long-term growth in demand for natural gas. China will likely continue to invest heavily in key frontier emerging markets, supporting growth and improving infrastructure.

### Potential FTSE and MSCI market upgrades bode well for passive flows

In a world in which passively-managed funds are in many ways ascendant, upgrades to emerging markets status will unlock new flows for markets including Kuwait and Saudi Arabia. KSA will be included in FTSE Russell's secondary EM grouping in March 2019, joining Russia, China and India with a 2.7% weighting. Next up: A potential MSCI EM upgrade for Saudi Arabia and Kuwait. Vietnam, while a major frontier market, still has work to do on foreign ownership levels before it can join the watchlist for an MSCI upgrade.

### Elections and political impact on MENA and FEM

Political overhangs will be a feature of multiple FEM markets in 2018 and into the new year. Investors are waiting to see how the US withdrawal from the Iran nuclear accord impacts regional economies and political stability. Voters in Pakistan go to the polls this year and investors are watching to ensure the reform momentum continues in Egypt after the recent presidential election. Investors in Saudi Arabia are closely following the emerging reform story, and value remains locked up in Qatar until such a time as the Gulf political outlook improves. Overall, tensions within MENA are likely to mean that a number of regional markets will trade at a discount for EM peers.



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## INVITED COMPANIES

### Companies are now registering ...

For more information and the full list of presenting companies, please visit the companies tab on the the 8th EFG Hermes London Conference website.



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## USEFUL INFORMATION

### Visas

Please consult the British embassy or consulate nearest you for information regarding visa requirements. If you require assistance obtaining a visa, we would be pleased to send you an official invitation that can be presented when applying.

Please contact us at [londonconference@efg-hermes.com](mailto:londonconference@efg-hermes.com) for further assistance in this regard.

### Language

The official language of the conference is English.

### Climate

Temperatures in London in mid-September typically range between daytime highs of 19° and overnight lows of 12° Celsius (66° and 53° Fahrenheit), although the weather can be unpredictable. Rain is common at this time of year.

### Time Zone

GMT+1 during the conference.

### Dress Code

Formal business attire is generally recommended throughout the course of the conference.

### Meeting Rooms

A meeting room will be assigned for the one-on-one meetings, which will be available for your use throughout the conference to display your communication materials and other collaterals.

If any Audio and Visual (A / V) equipment will be needed, please contact us at [londonconference@efg-hermes.com](mailto:londonconference@efg-hermes.com).

### Important Deadlines

Registration	18 July 2018
Flight information	10 July 2018
High resolution logo	26 July 2018
AV Form	26 July 2018
Presentation	2 September 2018
Shipping Form	2 September 2018

Information on the program, the list of companies presenting and logistics will be regularly updated on the 8th EFG Hermes London Conference website.



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## TRANSPORTATION

### To and from conference venue

EFG Hermes will be arranging complimentary shuttle buses to transport conference participants from the hotel to and from the conference venue. A detailed transportation schedule will be made available ahead of the conference.



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## AGENDA

DAY 1	MONDAY, 10 SEPTEMBER 2018	DAY 2	TUESDAY, 11 SEPTEMBER 2018
●	07:00 – 18:20	●	08:00 – 18:20
	Registration, Scheduling & Hospitality [The Emirates Stadium]		Registration, Scheduling & Hospitality [The Emirates Stadium]
●	08:00 – 11:50	●	08:00 – 11:50
	One on One Meetings [Executive Boxes]		One on One Meetings [Executive Boxes]
●	12:00 – 13:20	●	12:00 – 13:20
	Lunch		Lunch
●	13:30 – 18:20	●	13:30 – 18:20
	One on One Meetings [Executive Boxes]		One on One Meetings [Executive Boxes]

### The 8th Annual Conference | Round 2

DAY 3	WEDNESDAY, 12 SEPTEMBER 2018	DAY 4	THURSDAY, 13 SEPTEMBER 2018
●	07:00 – 18:20	●	08:00 – 18:20
	Registration, Scheduling & Hospitality [The Emirates Stadium]		Registration, Scheduling & Hospitality [The Emirates Stadium]
●	08:00 – 11:50	●	08:00 – 11:50
	One on One Meetings [Executive Boxes]		One on One Meetings [Executive Boxes]
●	12:00 – 13:20	●	12:00 – 13:20
	Lunch		Lunch
●	13:30 – 18:20	●	13:30 – 18:20
	One on One Meetings [Executive Boxes]		One on One Meetings [Executive Boxes]

Note: Above agenda is subject to change.



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## ACCOMMODATION

Guests are kindly requested to book their own rooms at a special EFG Hermes conference rate at the JW Marriott – Grosvenor House London. The special conference rate is valid for bookings between 5 – 17 September 2018.

Discover the best of Mayfair at London Marriott - Grosvenor House with its personalized service and unparalleled central location minutes away from world-class shopping, Hyde Park and iconic landmarks. Unwind in impeccably furnished rooms and suites featuring marble bathrooms and the latest technology, overlooking Grosvenor Square or the hotel's intimate garden.

To book your hotel room at the JW Marriott – Grosvenor House London using the EFG Hermes group rate please proceed with the below link on or before 31 August 2018. Once completed, a reservation link will appear in your registration confirmation email.

[Book your group rate for 8th London Conference 2018](#)

We're glad to offer you the Deluxe Rooms at EFG Hermes special rate of GBP 311.00 per room per night, for both single and double occupancy, inclusive of Wi-Fi, VAT and excluding breakfast.

Kindly note that there are a limited number of rooms available and that the above rates are only applicable for bookings made prior to 31 August 2018. For bookings made after the 31 August 2018, the hotel's standard rate will be applied.

For higher room categories, please email [Nina.Pirogova@marriott.com](mailto:Nina.Pirogova@marriott.com)

### **Cancellation policy:**

Cancellation at 60% of booking cost, if cancelled 10 days prior to arrival

Cancellation at 80% of booking cost, if cancelled 3-9 days prior to arrival

Cancellation at 98% of booking cost, if cancelled less than 3 days prior to arrival

*Cancellation fee applicable after Friday 24th August*