

EFG Hermes Announcement

EFG Hermes Research
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Termination of Frontier Research Coverage

Macro Strategy Report

www

After seven years of launching our Frontier Research, Sales, Execution and Operational platform, we are officially announcing closure of our operations in Frontier markets. However, the trading team will continue to offer execution services in Frontier markets, in line with client requirements. The business plan that the firm had devised for this venture was pivoted upon seeing solid opportunities in the Frontier market class, which ushered in a promising start, in terms of number of executions and market share.

However, the outbreak of the COVID-19 pandemic, shrinkage in global liquidity - on the back of policy tightening by major central banks around the world - which pressured Frontier markets' economic stability, resulted in a severe decline in market volumes and weighed on our business outlook in this asset class. Operational costs have become increasingly challenging to sustain; hence, our decision to close our Frontier operations, predominantly Research and Sales coverage.

In accordance with the above, we are terminating our Research coverage of the following Frontier markets: Pakistan, Nigeria, Kenya, Vietnam, Bangladesh, Georgia, Kazakhstan, Tanzania, Ghana, Botswana, Mauritius, Rwanda, Uganda, Singapore, Sri Lanka and Morocco (with the exception of Attijariwafa, Bank of Africa, Banque Centrale Populaire (BCP), HPS and Label Vie). Thus, effective immediately, our views, ratings, estimates and target prices in all of the aforementioned markets should no longer be relied-upon in making any investment decisions.

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