

A Presentation to  
**MASS PRIM**  
**December 14, 2015**



**CITY OF LONDON**  
Investment Management Company Limited

## Background

### **City of London Investment Management Company Limited**

- ▶ Investor in Emerging Markets **since 1991**
- ▶ Grew out of a brokerage that specialized in **closed-end funds**
- ▶ Closed-end fund research, investing and trading is the main focus and source of revenue
  - Emerging Markets CEF Strategy
  - Global Developed CEF Strategy
  - Global Tactical Asset Allocation CEF Strategy
  - Frontier Markets CEF Strategy
  - China A Share CEF Strategy
  - US Taxable Tactical Income CEF Strategy
  - Customized CEF Strategy
- ▶ Offices located in: **London, Philadelphia, Seattle, Singapore and Dubai**
- ▶ CLIM Frontier Markets Composite launched **July 1, 2005**
- ▶ Approximately **\$3.9 billion\*** under management
- ▶ **GIPS Verified** through December 2013

\*As at October 31, 2015

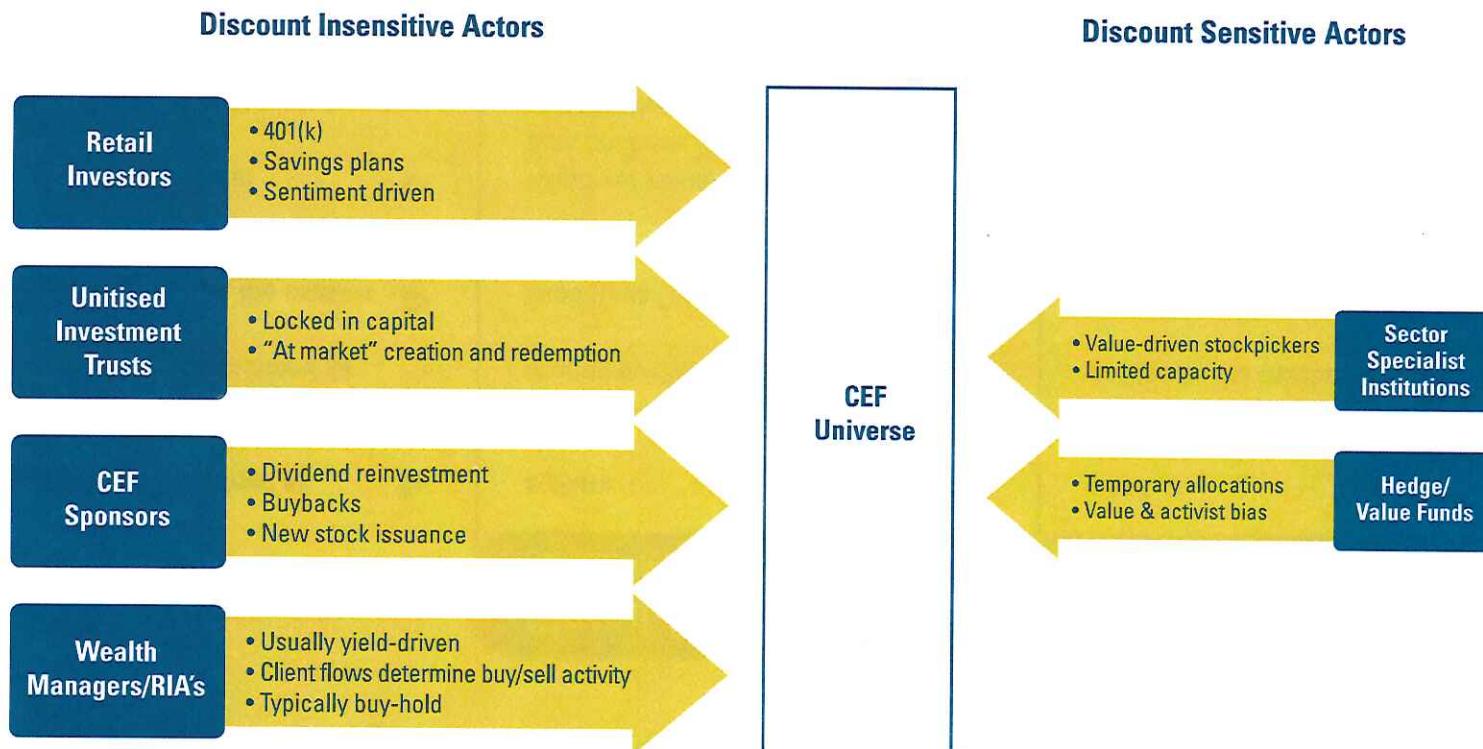
# How Closed-End and Open-End Funds Differ

	<b>Closed-End Fund (Investment Trust)</b>	<b>Open-End Fund (Mutual Fund or Unit Trust)</b>
<b>A participation is defined as</b>	a share	a unit
<b>The net asset value (NAV) of each participation is defined as</b>	the total value of the portfolio divided by the number of <b>shares</b>	the total value of the portfolio divided by the number of <b>units</b>
<b>Capital Structure, i.e., the number of shares or units in issue, is</b>	fixed (thus "closed" end)	variable (thus "open" end)
<b>Shares or units trade at</b>	whatever value the <b>stock market</b> puts on them. This might be a premium or a discount to net asset value depending on demand because supply is fixed.  Closed-end funds are listed and traded on a stock exchange via a stock broker	<b>Net asset value</b> with supply and demand being reflected in the number of units in issue.  Open-end funds are bought and sold through that fund's manager

In effect, a **closed-end fund** trades at a price that reflects demand. Demand or the lack of it is reflected in shares trading at a premium or a discount to net asset value. Since the capital structure is fixed, as with any other stock, the stock market determines the share price based upon supply and demand.

In an **open-end fund**, all units trade at net asset value as the number of units are variable. The manager varies the number of units in issue to take account of supply and demand and enlarges or reduces the size of the portfolio accordingly.

# Drivers of CEF Inefficiency



## Significant Competitive Advantages

- ▶ 4 Offices in London, Philadelphia, Singapore & Dubai
  - On the ground research
    - Company research trips conducted to Vietnam, Pakistan, Sri Lanka, Myanmar, Bangladesh, Azerbaijan, Kazakhstan, Ukraine, Estonia, Croatia, Slovenia, Romania, Bosnia, Montenegro, Oman, Bahrain, Lebanon, Qatar, Kuwait, Saudi Arabia, UAE, Iraq, Ghana, Kenya, Nigeria, Zimbabwe, Zambia, Argentina
  - Global, 24 hour trading capabilities
- ▶ Proprietary Trading System
  - Real-time NAV estimates
    - Daily checks between published and estimated NAVs – typically <0.5% variance
- ▶ Proprietary Research Database
  - All CEFs in EM & Frontier Universe

## COL Product Differentiation

- ▶ Alpha provided via a different methodology from traditional equity managers
  - Significant alpha derived from discount volatility
    - Excellent standalone manager
    - Also uniquely complementary
- ▶ Daily priced, monthly subscriptions/redemptions
- ▶ Specialist team of closed-end fund experts
  - Firm CEO with 50 years experience
  - Frontier team with combined 30+ years experience
  - Firm has 29 investment professionals focused on closed-end fund opportunities
- ▶ Independent Macro Team focused on identifying market opportunities

## Closed-End Fund Advantages

*CoL Invests in Country & Regional CEFs for Long-Term Capital Growth*

- ▶ Buying assets at a discount
- ▶ Greater diversification
  - Approximately 600 stocks on a see-through basis
    - Approximately 30-40 holdings per CEF; 30-40 CEFs in portfolio (Approximately 600 stocks after excluding double-counting/cross holdings)
    - Equates to 4x the number of stocks in the index
  - Results in lower volatility versus index
- ▶ Access to stocks unavailable to most bottom-up stock-picking funds
  - Open-end structure unsuitable for accessing many Frontier Markets
  - Closed structure enables access to “blue-chips” as well as 2nd & 3rd tier stocks
    - 2nd & 3rd tier stocks often trading at attractive valuations and uncovered by analysts (i.e. “hidden gems”)
    - 2nd & 3rd tier stocks off-limits to most foreign managers & bottom-up stock-pickers due to liquidity, foreign investor restrictions, or free float

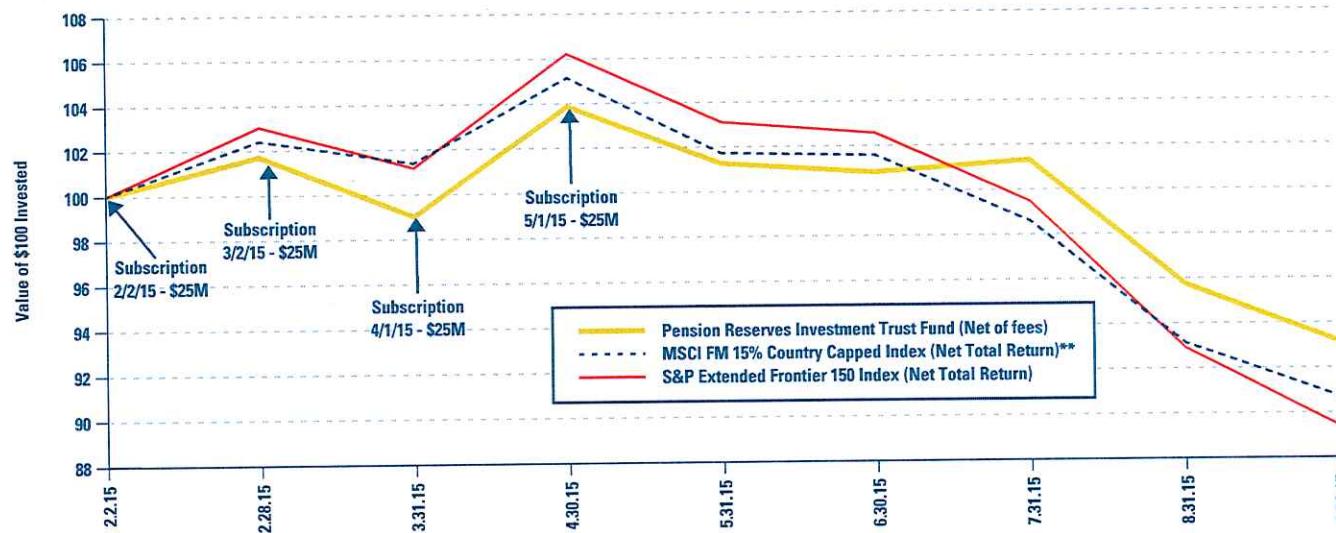
## Closed-End Fund Advantages

- ▶ Most managers *domiciled* in Frontier Markets
  - Better access to companies
  - More accurate news flow (not-sensationalized)
  - Better grasp on macro & micro economic conditions
- ▶ Many CEFs *listed* in Developed Markets
  - Better Corporate Governance Standards
  - Lower transaction and custody costs
  - Adhere to International Accounting Standards
- ▶ Fast and Flexible Asset Allocation
  - Exposures can be adjusted by buying/selling one underlying security
  - Low transaction and custody costs
- ▶ Large Investable Universe
  - Approximately US\$33bn
  - 500 Funds
  - 350 Managers
  - 42 Countries

# Pension Reserves Investment Trust Fund

## Investment Performance vs. Frontier Indices

Inception\* to September 30, 2015



Returns†	Feb-15*	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15*	Since Inception*
PRIM Fund	+1.72%	-2.64%	+4.90%	-2.52%	-0.44%	+0.49%	-5.49%	-2.70%	-6.84%
MSCI FM 15% Country Capped Index (Net Total Return)	+2.43%	-1.01%	+3.71%	-3.26%	-0.14%	-2.94%	-5.55%	-2.58%	-9.27%
S&P Extended Frontier 150 Index (Net Total Return)	+3.07%	-1.83%	+5.00%	-2.93%	-0.52%	-3.03%	-6.60%	-3.76%	-10.59%

\*Performance as of September 30, 2015. Inception was February 2, 2015.

\*\*The MSCI FM 15% Country Capped Net TR Index is the primary benchmark and the S&P Extended Frontier 150 Net TR Index is shown as an additional index for comparative purposes.

†Net of fees. Past performance is not a guarantee of future results.

Source: City of London Investment Management, BNY Mellon, MSCI, S&P

## Performance Measurement & Attribution

- ▶ “Off-the-Shelf” P&A programs don’t fit our process
  - CoL invests in Closed-End Funds, and to a lesser extent, Holding Companies, ETFs, and Open-End Funds
    - Therefore, we will inevitably be underweight virtually every stock in the index
    - Much of our Frontier exposure will be listed in developed markets
  - Current UK-Listed CEFs offer exposure to Vietnam, Romania, Kazakhstan, Africa, Eastern Europe, and Broad/Generalist Frontier Markets
    - This is why our transaction costs are much lower than competitors
    - “Off-the-Shelf” programs will allocate these holdings as “UK” exposure
  - Many of our holdings offer regional and generalist Frontier Market exposure
    - “Off-the-Shelf” programs can’t allocate a holding to more than one country

## Performance Measurement & Attribution

- ▶ Net Returns, sourced from the custodian
  - BoNY Mellon figures
- ▶ CoL uses a proprietary attribution model
  - Appropriate for our investment process
    - Can account for regional and generalist exposure of CEFs
      - See-through country exposure
    - Measures managers (NAVs) and discounts (prices)
      - Irrespective of individual index stocks

## Performance Measurement & Attribution

- ▶ CoL uses 4 components of Attribution
  - Country Allocation
  - Currency Movements
  - NAV Performances
  - Discount Movements

# Performance Measurement & Attribution

## ► Country Allocation

- Overweights and Underweights versus the Benchmark
  - If overweight and market rises, positive effect; If overweight and market falls, negative effect
  - If underweight and market rises, negative effect; If underweight and market falls, positive effect
    - Market moves are measured in absolute terms—not relative to a composite

## ► Currency Movements

- Overweights and Underweights versus the Benchmark
  - If overweight and currency strengthens, positive effect; If overweight and currency weakens, negative effect
  - If underweight and currency strengthens, negative effect; If underweight and currency weakens, positive effect

# Performance Measurement & Attribution

## ► NAV Performances

- How did a Closed-End Fund's\* Net Asset Value Perform?
  - NAVs measured versus a relevant country component of the Benchmark Index
  - If NAV has outperformed its index, positive effect
  - If NAV has underperformed its index, negative effect

*\*Relevant to Holding Companies, ETFs, and Open-End Funds*

## Performance Measurement & Attribution

### ► Discount Movements

- Did the Discount to NAV widen or narrow?
  - If a holding's discount at which it trades to its NAV narrows, positive effect
    - Price rises more than NAV or falls less than NAV
  - If a holding's discount at which it trades to its NAV widens, negative effect
    - Price rises less than NAV or falls more than NAV

# Pension Reserves Investment Trust Fund

## Performance & Attribution Analysis

As of September 30, 2015

Performance (%)	Q1 2015 <sup>f</sup>	Q2 2015	Q3 2015	Since Inception <sup>f</sup>
PRIM Fund (net of fees)	-0.97	+1.80	-7.59	-6.84
MSCI FM 15% Capped Index (Net Total Return)*	+1.40	+0.19	-10.69	-9.27
	<b>-2.37</b>	<b>+1.61</b>	<b>+3.10</b>	<b>+2.43</b>
Attributed to %)**				
Country Allocation	-3.43	+3.14	+2.65	+2.30
Currency Movements	+0.96	+0.20	-0.09	+1.07
Portfolio Holding NAV	-0.75	-1.18	+0.66	-1.12
Discount Movements	+0.85	-0.55	-0.12	+0.18
	<b>-2.37</b>	<b>+1.61</b>	<b>+3.10</b>	<b>+2.43</b>

\*Index returns subject to change due to restatements by index vendors in the historical index levels.

\*\*City of London Investment Management estimates.

<sup>f</sup>Inception was February 2, 2015.

The above numbers are rounded and reflect net returns. Performances for the Quarter and Year to date are compounded and therefore will not always equal the sum of the individual component months. Past performance is no guarantee of future results.

Source: City of London Investment Management, BNY Mellon, MSCI

# Attribution Summary - Since Inception\*

September 30, 2015

## ► Country Allocation (+2.30%)

*(Performances are quoted in local currency terms and reference the country's MSCI FM 15% Country Capped Net Total Return Index component or an appropriate local market index for out-of-benchmark exposure)*

Country allocation was positive due to the Fund's overweight position to Romania (which added 156 basis points to performance) as its index rose 9.2%. Underweight positions to Kuwait (+129 bps) and Pakistan (+91 bps) also contributed positively as their indices fell 12.6% and 15.8%, respectively.

However, some underperformance resulted from the Fund's overweight position to Vietnam (-91 bps) as its index fell 8.3% over the period.

## ► Currency Movements (+1.07%)

*(Currency movements are quoted relative to the US dollar)*

Currency movements were positive with outperformance resulting from underweight positions to Morocco (+36 bps), Nigeria (+16 bps) and Kuwait (+16 bps) as the dirham, naira and dinar weakened by 1.9%, 4.8% and 2.4%, respectively.

Some underperformance stemmed from the Fund's exposure to South Africa (-2 bps) as the rand weakened by 17%.

## ► Portfolio Holding NAV (-1.12%)

*(Performances are quoted in US dollar terms against their respective MSCI FM 15% Country Capped Net Total Return Index, or for out-of-benchmark exposure, against a comparable country or regional index)*

NAV performances contributed underperformance as the NAVs of db x-trackers S&P Select Frontier UCITS ETF (-90 bps), ASA Gold and Precious Metals (-51 bps) and Fondul Proprietatea (-26 bps) underperformed their index by 13.4, 22.4 and 9.7 percentage points, respectively, since their purchases at the beginning of February. db x-trackers S&P Select Frontier UCITS ETF underperformed due to its overweight position to Argentina, which has fallen significantly. Fondul Proprietatea underperformed due to its overweight position to the oil sector. In particular, OMV Petrom, its largest holding, underperformed over the quarter.

However, Pampa Energía (+99 bps) contributed outperformance as its NAV outperformed its index by 33 percentage points since its purchase at the beginning of February. Pampa Energía outperformed due to Edenor, its largest listed holding, which outperformed this quarter.

## ► Discount Movements (+0.18%)

*(Performances are quoted in US dollar terms unless specified otherwise)*

Discount movements contributed outperformance as the discount of Pampa Energía (+98 bps) narrowed by 10.9 percentage points since its purchase at the beginning of February on the back of optimism regarding the presidential elections this year. The discount of Terra Capital (+67 bps) narrowed by 5.7 percentage points since its purchase at the beginning of June.

Conversely, Fondul Proprietatea (-27 bps) contributed underperformance as its discount widened by 3 percentage points since its purchase at the beginning of February.

\*Inception was February 2, 2015.

City of London Investment Management seeks to maximize total returns relative to our benchmark. From time to time, however, one or more aspects of our attribution might suffer as a result of this objective. For example, if we consider that a specific Country Fund is attractive from a discount perspective, it might be that our country allocation would suffer as a result.

Source: City of London Investment Management, BNY Mellon, MSCI, Bloomberg

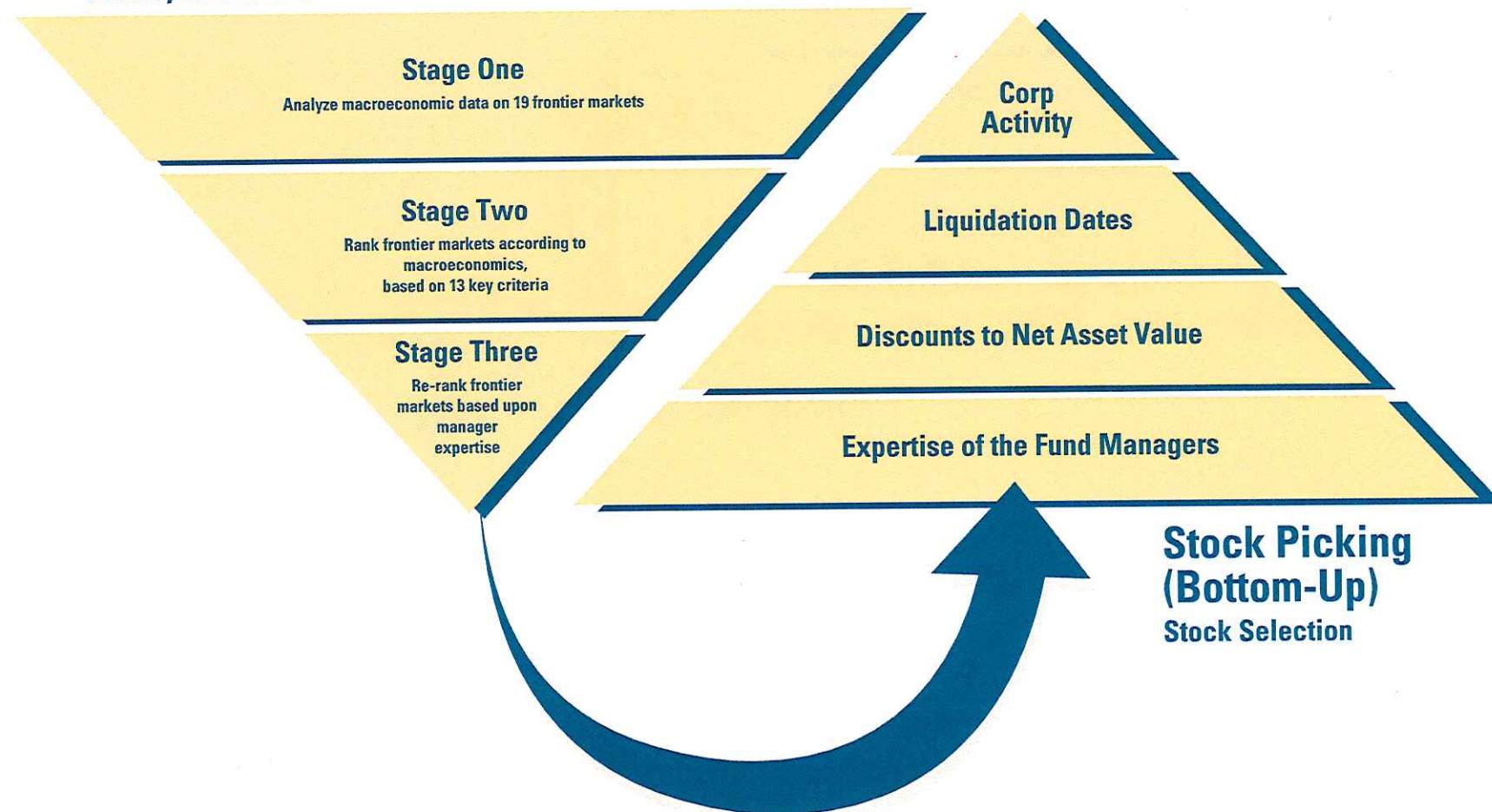
## Investment Philosophy

- ▶ Frontier Markets are tomorrow's Emerging Markets
- ▶ Invest for long-term capital growth in country and regional funds
- ▶ Broad diversification of investments
  - An average of 30 holdings per fund, which on a see through basis via 20-30 holdings gives exposure to more than 600 securities
- ▶ Top-down asset allocation
- ▶ Bottom-up research into fund managers
- ▶ Utilize expertise of managers located in Frontier Markets
  - Better access to companies
    - 50 Frontier Countries = +5,000 Frontier Stocks
  - More accurate news flow (not-sensationalized)
  - Better grasp on macro & micro economic conditions

# The Investment Process

## Macro Process (Top-Down)

### Country Allocation



# Investment Process

## Macroeconomic Overview

- Formalized Semi-Annually
- Reviewed Weekly
- Adjusted Daily

### Macro Process (Top-Down)

Country Allocation

#### Stage One

Analyze macroeconomic data on 19 frontier markets

#### Stage Two

Rank frontier markets according to  
macroeconomics,  
based on 13 key criteria

#### Stage Three

Re-rank frontier  
markets based upon  
manager  
expertise

# The Investment Process

- ▶ Top-down Macro Overlay
  - Independent Macroeconomic Team
  - Key means of risk management
    - Frontier Markets are highly uncorrelated (with EM & Developed, **as well as each other!**)
    - Ensures we are in the “right” markets and out of the “wrong” markets
  - Two-Stage Process
    - Quantitative
      - Political & Institutional
      - Macro Fundamentals
      - Market Valuations
    - Qualitative
      - Global Themes
      - Index Constraints

# Macro: Stage 1 Alphabetical Ranking

2nd Half 2015

## Macroeconomic Data

## Market Performance

Frontier Market	% CHANGE ON YEAR AGO				LATEST 12 MONTHS		Foreign Reserves 2015 Latest	Foreign Reserves 2014 Year ago	Currency vs \$ 2015 Latest	Currency vs \$ 2014 Year ago	Sovereign Rating S&P	Budget Balance % of GDP 2015F	Short-Term Interest Rates	% S&P Frontier 150 Index***	Stock Market Index (S&P Frontier 150 Index) US\$	Change since 12/31/14 US\$	Change since 12/31/14 Local	Current P/E	6-month Currency vs \$ +/-
	Annual GDP Growth YoY	Quarterly GDP Growth QoQ*	Industrial Production YoY	Consumer Price Index YoY	Trade Balance	Current Account													
	%	%	%	%	\$ Bns	\$ Bns	\$ Bns	\$ Bns											
ARGENTINA	1.1	0.8	0.9	15.0*	4.6	-6.0	28.6	23.4	9.24	8.27	SD	-4.5	22.08	13.49	1481.74	-0.19	8.34	7.4	-
BAHRAIN	2.8	n.a.	n.a.	1.7	2.9	1.0	4.9	5.2	0.38	0.38	BBB-	-13.5	0.80	0.22	1337.30	-10.87	-10.86	11.5	uc
BANGLADESH	6.0	n.a.	11.0	6.3	-14.4	-1.2	23.6	19.8	77.73	77.49	BB-	6.2	8.16	3.97	1642.36	1.50	1.30	23.5	-
COTE D'IVOIRE	9.0	n.a.	n.a.	0.5	n.a.	n.a.	5.0	4.2	602.72	492.28	n.a.	n.a.	3.50	0.95	1148.58	15.25	25.96	n.a.	-
JORDAN	2.0	n.a.	2.5	0.3	-13.6	-2.7	14.6	13.6	0.71	0.71	BB-	-3.7	1.50	3.59	793.83	-1.02	-0.92	11.2	uc
KAZAKHSTAN	1.7	n.a.	1.3	3.9	23.8	-2.0	29.0	27.0	187.89	182.03	BBB	-2.6	3.05	4.18	98.99	-20.30	-18.03	11.8	-
KENYA	4.9	15.1	n.a.	6.6	-12.2	-6.1	6.4	6.6	101.19	87.90	B+	-5.8	6.55	4.91	2875.75	-17.92	-7.27	12.3	-
KUWAIT	8.3	n.a.	n.a.	3.5	57.2	70.1	29.9	28.9	0.30	0.28	AA	1.1	1.38	15.26	1451.53	-6.60	-3.46	14.9	-
LEBANON	2.0	n.a.	n.a.	-3.4	17.6	n.a.	40.7	37.5	1508.00	1511.00	B-	-8.8	3.31	2.05	1756.99	8.13	7.78	10.1	-
MAURITIUS	3.7	n.a.	n.a.	0.6	-1.5	-6.1	3.5	3.6	35.63	30.55	n.a.	-3.5	5.50	1.54	2281.23	1.15	12.23	8.8	-
NIGERIA	4.0	-46.3	n.a.	9.2	47.6	-6.3	31.5	39.3	199.25	162.67	B+	-2.3	10.81	12.97	1252.36	-17.04	-9.69	8.3	-
OMAN	3.0	n.a.	4.2	0.2	22.6	5.1	18.1	18.0	0.38	0.39	A-	-12.7	0.45	3.79	2665.43	4.36	4.36	8.3	uc
PAKISTAN	5.5	n.a.	6.1	1.8	-22.4	-3.5	13.8	9.7	101.47	98.95	B-	-5.0	5.85	13.21	4004.42	5.52	6.84	9.5	-
PANAMA	5.9	n.a.	n.a.	0.0	-8.7	6.1	3.8	2.0	1.00	1.00	BBB	-3.5	2.19	2.54	3772.98	-26.02	-26.02	8.8	uc
ROMANIA	4.3	6.0	2.6	-1.7	-7.6	-0.7	33.7	42.6	4.03	3.32	BBB-	-1.9	1.28	4.66	920.38	15.00	23.80	15.1	-
SLOVENIA	2.9	3.2	3.1	-0.4	0.8	2.9	0.4	0.5	1.10	1.34	A-	-3.0	0.56	1.76	1073.65	0.73	10.32	11.3	-
SRI LANKA	6.4	n.a.	-3.4	-0.2	-8.6	n.a.	5.9	7.8	133.85	130.20	B+	-6.0	7.21	2.03	3862.06	-6.95	-5.12	14.9	-
UKRAINE	-17.2	-21.2	-18.1	55.3	-0.5	-1.5	9.4	15.4	21.33	12.83	CC	-5.0	15.26	0.95	385.39	33.52	79.14	3.8	-
VIETNAM	6.3	n.a.	11.3	0.9	-4.8	11.6	33.8	25.5	21810.00	21185.00	BB-	-5.4	4.92	7.92	348.73	10.88	13.12	17.6	-

Note: S&P credit rating shown is long-term foreign currency rating. \* % change in GDP on previous quarter, annual rate. \*\* Unofficial estimates suggest annual inflation is 25-30%. \*\*\* S&P/IFCG Extended Frontier 150 Net Total Return Index. Data are the latest available, but in certain cases relate to periods more than one year ago.

Source: City of London Investment Management, Bloomberg

# Macro: Stage 2 Country Ranking

2nd Half 2015

## Macroeconomic Data

## Market Performance

Frontier Market	% CHANGE ON YEAR AGO						LATEST 12 MONTHS						Sovereign Rating S&P	Budget Balance % of GDP 2015F	Short-Term Interest Rates	% S&P Frontier 150 Index***	Stock Market Index (\$&P Frontier 150 Index) US\$	Change since 12/31/14 US\$	Change since 12/31/14 Local	Current P/E	6-month Currency vs \$ +/-
	Annual GDP Growth YoY	Quarterly GDP Growth QoQ*	Industrial Production Growth YoY	Consumer Price Index YoY	Trade Balance	Current Account	Foreign Reserves 2015 Latest	Foreign Reserves 2014 Year ago	Currency vs \$ 2015 Latest	Currency vs \$ 2014 Year ago											
	%	%	%	%	\$ Bns	\$ Bns	\$ Bns	\$ Bns			%	7/31/15	7/31/15	%	%						
Over Weight	VIETNAM	6.3	n.a.	11.3	0.9	-4.8	11.6	33.8	25.5	21810.00	21185.00	BB-	-5.4	4.92	7.92	348.73	10.88	13.12	17.6	-	
	PAKISTAN	5.5	n.a.	6.1	1.8	-22.4	-3.5	13.8	9.7	101.47	98.95	B-	-5.0	5.85	13.21	4004.42	5.52	6.84	9.5	-	
	ROMANIA	4.3	6.0	2.6	-1.7	-7.6	-0.7	33.7	42.6	4.03	3.32	BBB-	-1.9	1.28	4.66	920.38	15.00	23.80	15.1	-	
	PANAMA	5.9	n.a.	n.a.	0.0	-8.7	6.1	3.8	2.0	1.00	1.00	BBB	-3.5	2.19	2.54	3772.98	-26.02	-26.02	8.8	uc	
	OMAN	3.0	n.a.	4.2	0.2	22.6	5.1	18.1	18.0	0.38	0.39	A-	-12.7	0.45	3.79	2665.43	4.36	4.36	8.3	uc	
	SLOVENIA	2.9	3.2	3.1	-0.4	0.8	2.9	0.4	0.5	1.10	1.34	A-	-3.0	0.56	1.76	1073.65	0.73	10.32	11.3	-	
	COTE D'IVOIRE	9.0	n.a.	n.a.	0.5	n.a.	n.a.	5.0	4.2	602.72	492.28	n.a.	n.a.	3.50	0.95	1148.58	15.25	25.96	n.a.	-	
	KAZAKHSTAN	1.7	n.a.	1.3	3.9	23.8	-2.0	29.0	27.0	187.89	182.03	BBB	-2.6	3.05	4.18	98.99	-20.30	-18.03	11.8	-	
	MAURITIUS	3.7	n.a.	n.a.	0.6	-1.5	-6.1	3.5	3.6	35.63	30.55	n.a.	-3.5	5.50	1.54	2281.23	1.15	12.23	8.8	-	
	BANGLADESH	6.0	n.a.	11.0	6.3	-14.4	-1.2	23.6	19.8	77.73	77.49	BB-	6.2	8.16	3.97	1642.36	1.50	1.30	23.5	-	
Neutral	SRI LANKA	6.4	n.a.	-3.4	-0.2	-8.6	n.a.	5.9	7.8	133.85	130.20	B+	-6.0	7.21	2.03	3862.06	-6.95	-5.12	14.9	-	
	JORDAN	2.0	n.a.	2.5	0.3	-13.6	-2.7	14.6	13.6	0.71	0.71	BB-	-3.7	1.50	3.59	793.83	-1.02	-0.92	11.2	uc	
	BAHRAIN	2.8	n.a.	n.a.	1.7	2.9	1.0	4.9	5.2	0.38	0.38	BBB-	-13.5	0.80	0.22	1337.30	-10.87	-10.86	11.5	uc	
	KUWAIT	8.3	n.a.	n.a.	3.5	57.2	70.1	29.9	28.9	0.30	0.28	AA	1.1	1.38	15.26	1451.53	-6.60	-3.46	14.9	-	
	ARGENTINA	1.1	0.8	0.9	15.0*	4.6	-6.0	28.6	23.4	9.24	8.27	SD	-4.5	22.08	13.49	1481.74	-0.19	8.34	7.4	-	
	NIGERIA	4.0	-46.3	n.a.	9.2	47.6	-6.3	31.5	39.3	199.25	162.67	B+	-2.3	10.81	12.97	1252.36	-17.04	-9.69	8.3	-	
	LEBANON	2.0	n.a.	n.a.	-3.4	17.6	n.a.	40.7	37.5	1508.00	1511.00	B-	-8.8	3.31	2.05	1756.99	8.13	7.78	10.1	-	
	KENYA	4.9	15.1	n.a.	6.6	-12.2	-6.1	6.4	6.6	101.19	87.90	B+	-5.8	6.55	4.91	2875.75	-17.92	-7.27	12.3	-	
	UKRAINE	-17.2	-21.2	-18.1	55.3	-0.5	-1.5	9.4	15.4	21.33	12.83	CC	-5.0	15.26	0.95	385.39	33.52	79.14	3.8	-	

Note: S&P credit rating shown is long-term foreign currency rating. \* % change in GDP on previous quarter, annual rate. \*\*Unofficial estimates suggest annual inflation is 25-30%. \*\*\*S&P/IIFC Extended Frontier 150 Net Total Return Index. Data are the latest available, but in certain cases relate to periods more than one year ago.

Source: City of London Investment Management, Bloomberg

# Macro: Stage 3 Country/Country Fund Re-Ranking

2nd Half 2015

## Macroeconomic Data

## Market Performance

## Funds

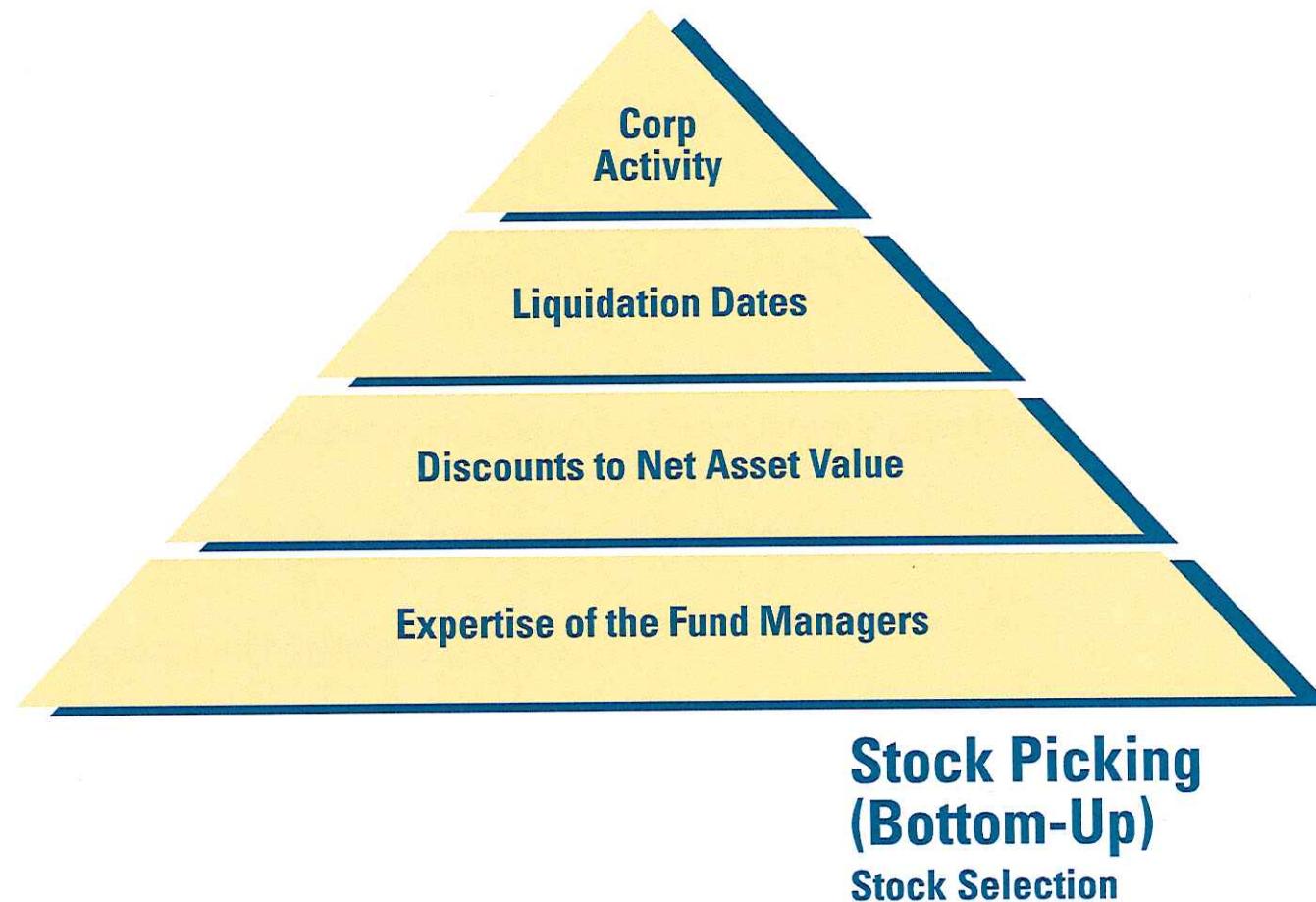
Frontier Market	% CHANGE ON YEAR AGO				LATEST 12 MONTHS		Foreign Reserves 2015 Latest	Foreign Reserves 2014 Year Ago	Currency vs \$ 2015 Latest	Currency vs \$ 2014 Year ago	Sovereign Rating S&P	Budget Balance % of GDP 2015F	Short-Term Interest Rates	% S&P Frontier 150 Index***	Stock Market Index (S&P Frontier 150 Index) US\$	Change since 12/31/14 US\$	Change since 12/31/14 Local	Current P/E	6-Month Currency vs \$ +/-	City of London Examples as of 7/31/15	% Discount
	Annual GDP YoY	Quarterly GDP QoQ*	Industrial Production YoY	Consumer Price Index YoT	Trade Balance	Current Account															
	%	%	%	%	\$ Bns	\$ Bns	\$ Bns	\$ Bns	%	7/31/15	7/31/15	%	%								
Over Weight	ROMANIA	4.3	6.0	2.6	-1.7	-7.6	-0.7	33.7	42.6	4.03	3.32	BBB-	-1.9	1.28	4.66	920.38	15.00	23.80	15.1	-	Fondul Proprietatea (100%) -33%
Neutral	VIETNAM	6.3	n.a.	11.3	0.9	-4.8	11.6	33.8	25.5	21810.00	21185.00	BB-	-5.4	4.92	7.92	348.73	10.88	13.12	17.6	-	Vietnam Enterprise Investments Ltd (100%) -21%
Neutral	SRI LANKA	6.4	n.a.	-3.4	-0.2	-8.6	n.a.	5.9	7.8	133.85	130.20	B+	-6.0	7.21	2.03	3862.06	-6.95	-5.12	14.9	-	Namal Acuity Value Fund (100%) -28%
Neutral	PAKISTAN	5.5	n.a.	6.1	1.8	-22.4	-3.5	13.8	9.7	101.47	98.95	B-	-5.0	5.85	13.21	4004.42	5.52	6.84	9.5	-	Picic Growth Fund (100%) -34%
Neutral	PANAMA	5.9	n.a.	n.a.	0.0	-8.7	6.1	3.8	2.0	1.00	1.00	BBB	-3.5	2.19	2.54	3772.98	-26.02	-26.02	8.8	uc	Terra Capital Plc (2%) -10%
Neutral	COTE D'IVOIRE	9.0	n.a.	n.a.	0.5	n.a.	n.a.	5.0	4.2	602.72	492.28	n.a.	n.a.	3.50	0.95	1148.58	15.25	25.96	n.a.	-	Africa Opportunity Fund (30%) -14%
Neutral	KAZAKHSTAN	1.7	n.a.	1.3	3.9	23.8	-2.0	29.0	27.0	187.89	182.03	BBB	-2.6	3.05	4.18	98.99	-20.30	-18.03	11.8	-	Tau Capital Plc (100%) -47%
Neutral	MAURITIUS	3.7	n.a.	n.a.	0.6	-1.5	-6.1	3.5	3.6	35.63	30.55	n.a.	-3.5	5.50	1.54	2281.23	1.15	12.23	8.8	-	Promotion & Development Ltd (100%) -36%
Neutral	BANGLADESH	6.0	n.a.	11.0	6.3	-14.4	-1.2	23.6	19.8	77.73	77.49	BB-	6.2	8.16	3.97	1642.36	1.50	1.30	23.5	-	Green Delta Mutual Fund (100%) -59%
Under Weight	OMAN	3.0	n.a.	4.2	0.2	22.6	5.1	18.1	18.0	0.38	0.39	A-	-12.7	0.45	3.79	2665.43	4.36	4.36	8.3	uc	Terra Capital Plc (4%) -10%
Under Weight	SLOVENIA	2.9	3.2	3.1	-0.4	0.8	2.9	0.4	0.5	1.10	1.34	A-	-3.0	0.56	1.76	1073.65	0.73	10.32	11.3	-	East Capital Explorer (3%) -35%
Under Weight	BAHRAIN	2.8	n.a.	n.a.	1.7	2.9	1.0	4.9	5.2	0.38	0.38	BBB-	-13.5	0.80	0.22	1337.30	-10.87	-10.86	11.5	uc	SICO Selected Securities Fund (100%)
Under Weight	KUWAIT	8.3	n.a.	n.a.	3.5	57.2	70.1	29.9	28.9	0.30	0.28	AA	1.1	1.38	15.26	1451.53	-6.60	-3.46	14.9	-	Lyxor FTSE Coast Kuwait 40 (100%)
Under Weight	ARGENTINA	1.1	0.8	0.9	15.0*	4.6	-6.0	28.6	23.4	9.24	8.27	SD	-4.5	22.08	13.49	1481.74	-0.19	8.34	7.4	-	Pampa Energia Holding (100%) -26%
Under Weight	NIGERIA	4.0	-46.3	n.a.	9.2	47.6	-6.3	31.5	39.3	199.25	162.67	B+	-2.3	10.81	12.97	1252.36	-17.04	-9.69	8.3	-	Imara Nigeria Fund (100%)
Under Weight	KENYA	4.9	15.1	n.a.	6.6	-12.2	-6.1	6.4	6.6	101.19	87.90	B+	-5.8	6.55	4.91	2875.75	-17.92	-7.27	12.3	-	Advance Frontier Markets Fund (7%) -8%
Under Weight	JORDAN	2.0	n.a.	2.5	0.3	-13.6	-2.7	14.6	13.6	0.71	0.71	BB-	-3.7	1.50	3.59	793.83	-1.02	-0.92	11.2	uc	Jordan Investment Trust (100%) -70%
Under Weight	LEBANON	2.0	n.a.	n.a.	-3.4	17.6	n.a.	40.7	37.5	1508.00	1511.00	B-	-8.8	3.31	2.05	1756.99	8.13	7.78	10.1	-	Terra Capital Plc (4%) -10%
Under Weight	UKRAINE	-17.2	-21.2	-18.1	55.3	-0.5	-1.5	9.4	15.4	21.33	12.83	CC	-5.0	15.26	0.95	385.39	33.52	79.14	3.8	-	Ukraine Opportunity Trust (100%) -52%

Note: S&P credit rating shown is long-term foreign currency rating. \* % change in GDP on previous quarter, annual rate. \*\* Unofficial estimates suggest annual inflation is 25-30%. \*\*\* S&P/IFCG Extended Frontier 150 Net Total Return Index. Data are the latest available, but in certain cases relate to periods more than one year ago.

Source: City of London Investment Management, Bloomberg

## Investment Process

### Stockpicking



# Investment Process

## *Manager Expertise & Fund Selection (Bottom-Up)*

- ▶ Due Diligence. We don't buy a CEF without meeting management!
  - People
    - Experience, Expertise, Compensation, Investment Process & Philosophy, Corporate Culture, Team Approach?
  - Portfolio
    - Liquidity
      - Understanding of CEF tradability through a number of cycles (particularly 2008-9) ensures no complacency where liquidity is concerned.
    - Underlying Portfolio
      - Liquidity of underlying; any unlisted, real-estate, or high cash levels?; concentration; index cross over; fundamentals/valuations
  - Performance
    - Versus a relevant benchmark index, peer group, correlation to index, risk metrics (standard deviation, beta, tracking error, alpha)

*Our focus is on risk control and ensuring to our best ability that past performance can be replicated*

## City of London Frontier Markets Fund Universe & Capacity

### ► 2015

— Over 500 funds available

- 158 closed-end funds

- Market Cap of \$17.5 bn

- Covering 32 countries and regions

- 124 managers

- 364 open-end funds

- Assets of \$15.5bn

- Covering 33 countries and regions

- 238 managers

— Gross Assets = approximately \$33 bn±

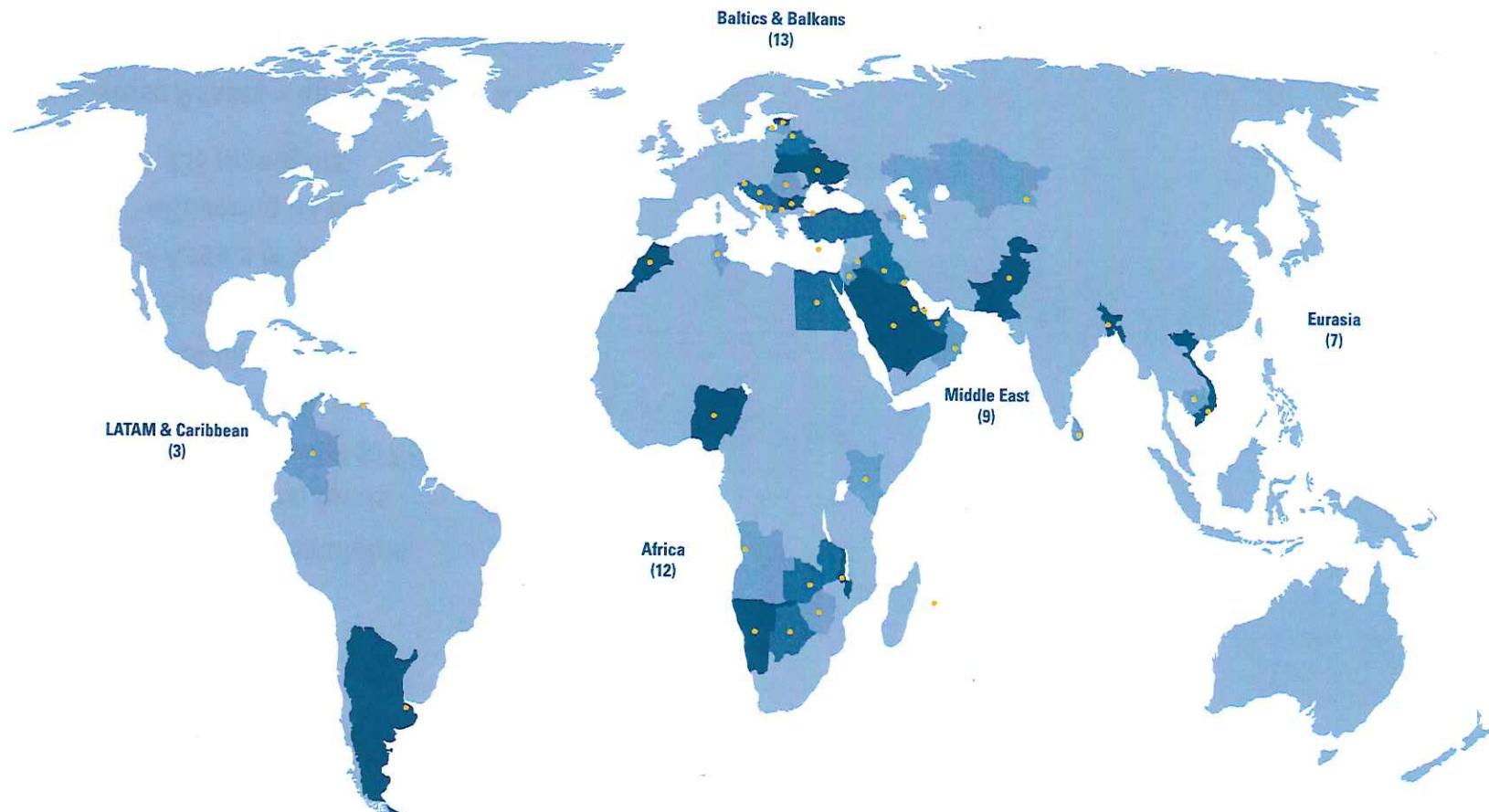
— Over 300 managers

— Covering 42 countries and regions

► **Closed-end funds, Holding Companies and ETFs traded in over 20 markets:** Bangladesh, Bosnia, Colombia, Croatia, Cyprus, Denmark, Jordan, Kenya, Lithuania, Mauritius, Montenegro, Pakistan, Poland, Romania, Serbia, Slovenia, Sri Lanka, Sweden, Tunisia, UK, USA, Vietnam

► **Limited Capacity of \$250m (never more than 1% of universe) to preserve ability to provide alpha**

# CLIM Universe of Investment Managers Have Offices in 44 Frontier Markets



City of London provides ***Global Insights*** on top of ***Local Knowledge***

# Opportunity Set

- ▶ Mean Reversion
  - Discount typically trades around its average
  - NAVs are well correlated to their benchmark index
  - Provides regular alpha over & above market exposure
- ▶ Event Driven
  - Typically driven by corporate activity
    - Tender Offer
    - Wind-up or open-ending
    - Large distribution (special dividends, etc.)
- ▶ Distressed Discounts
  - Out of favor asset class or country
  - Lack of transparency on NAV/Valuation of underlying
    - Illiquid/unlisted components to the NAV
  - Poor performance record
    - Market conditions not conducive to manager's style
    - Is it time to replace manager?
  - Ill-conceived structure
    - Shareholder holding limits
    - Broker non-votes
    - Non-independent director

# Research

## An Example from the COL Database I

### Advance Frontier Markets Fund, Inc.

<b>Listed</b>	London Stock Exchange, Alternative Investment Market
<b>Manager &amp; Investment Advisor</b>	Investment Manager: Advance Emerging Capital Ltd Investment Advisor: Advance Emerging Capital Ltd
<b>Investment Policy</b>	To provide shareholders with long term capital growth by investing in the Frontier Markets of Africa, the Middle East, Eastern Europe, Asia and Latin America. The team at Advance Emerging Capital believes that frontier markets offer investors the likelihood of superior long term investment returns relative to those achievable from developed markets. In addition, they believe that pricing anomalies are generally more widely available in emerging and frontier markets. They believe that the people best placed to take advantage of these anomalies are locally based managers with extensive experience of their specific markets. They view discounts on closed end funds as an opportunity to add further value. Their aim is to construct a portfolio of funds that gives investors access to the most attractive frontier markets through the most attractive vehicles available
<b>Capital Structure</b>	As of 30 September 2015, the Fund had 169,460,000 shares outstanding.
<b>Inception</b>	14 June 2007
<b>Financial Year End</b>	30-June
<b>Fees and Expenses</b>	The Fund pays an investment management fee to Advance of 1.25%. There is also a performance fee of 12% above a 12% hurdle rate, with high watermark, not to exceed 3% of NAV.
<b>Buying-in Provisions</b>	The Company has the authority to repurchase up to 14.9% of the issued share capital. There have not been any share repurchases over the last 12 months.
<b>Directors</b>	Grant Wilson (Chairman of the Board), Helen Green, Richard Hotchkis, David Warr, and John Whittle

*The information provided constitutes the opinion of City of London Investment Management and should not be construed as investment advice to buy or sell any securities.*

*Source: Advance Emerging Capital Ltd*

## An Example from the COL Database II

### Advance Frontier Markets Fund, Inc.

Price: 49.75 p (as at September 30, 2015)

Published NAV: 55.92 p

Discount: -11.03%

### Statistical Information

Index:	MSCI Frontier Markets TR Net Index (USD)
NAV Correlation Coefficient (monthly data points):	0.88*
NAV Correlation Coefficient (weekly data points):	0.90*
NAV Beta:	0.73*
6 Month Relative NAV Performance:	0.44%
12 Month Relative NAV Performance:	-0.74%
12 Month Average Discount:	-7.80%

### Top Ten Holdings (as at September 30, 2015)

1 Fondul Proprietatea	6 Africa Emerging Markets Fund
2 VinaCapital Vietnam Opportunity Fund	7 Ashmore Middle East Equity Fund
3 Sustainable Capital Nigeria Fund	8 PXP Vietnam Emerging Equity Fund
4 Sustainable Capital Africa Consumer Fund	9 Advance Copernico Argentina Equity Fund
5 SCM Africa Fund	10 EFG Hermes Saudi Arabia Equity Fund

### Geographical Distribution (%) (as at September 30, 2015)

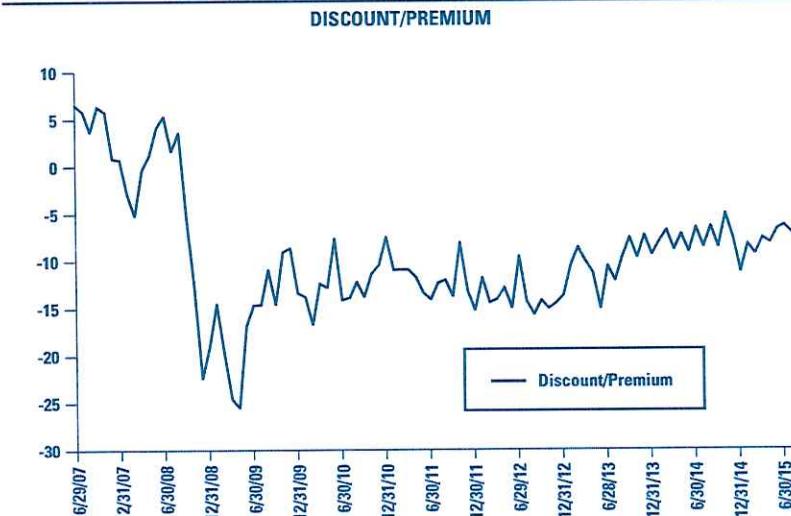
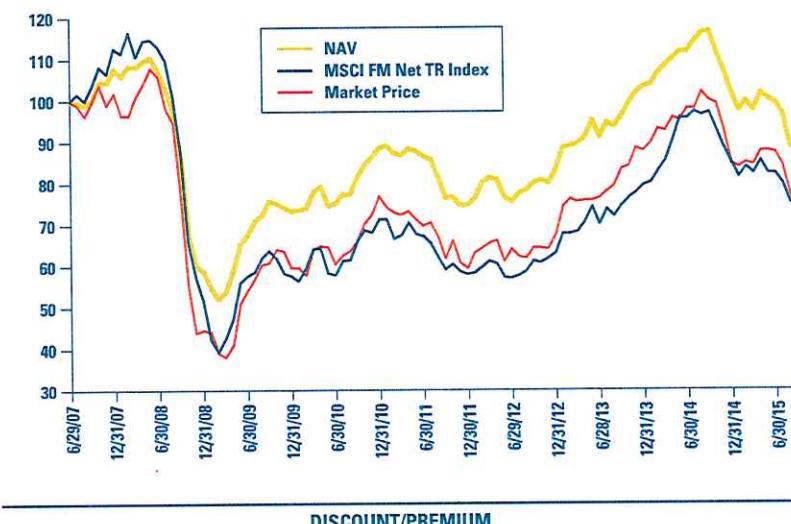
Africa.....	34.1
Asia.....	32.5
Middle East .....	14.5
Latin America .....	5.6
Eastern Europe .....	11.1
Cash.....	2.2

\*Over a period of 24 months

The information provided constitutes the opinion of City of London Investment Management and should not be construed as investment advice to buy or sell any securities.

Advance Frontier Markets Fund, Inc. vs MSCI FM Net TR Index (USD)

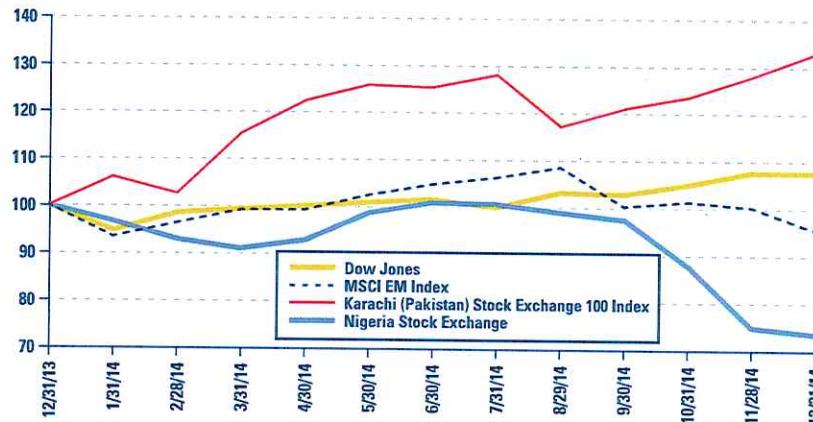
Rebased from June 29, 2007



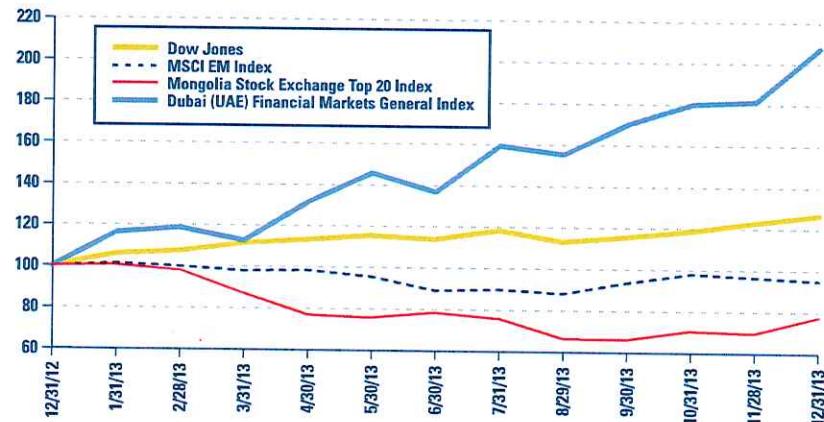
Source: City of London Investment Management, Bloomberg, Advance Emerging Capital Ltd

# Correlation

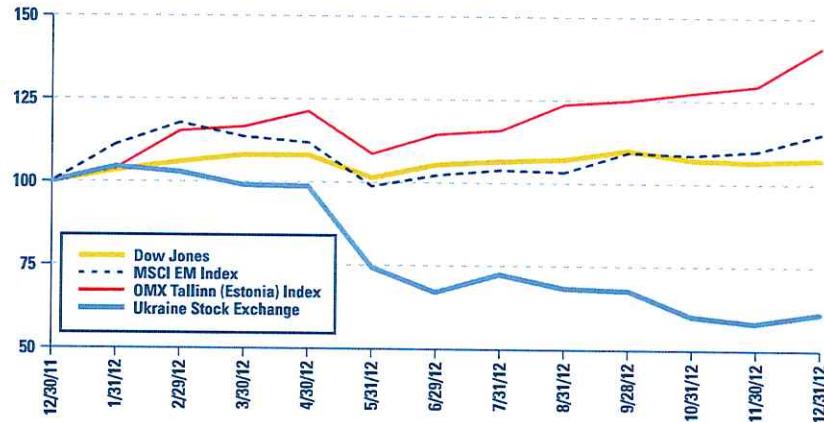
2014 Stock Index Performances (Rebased from 100)



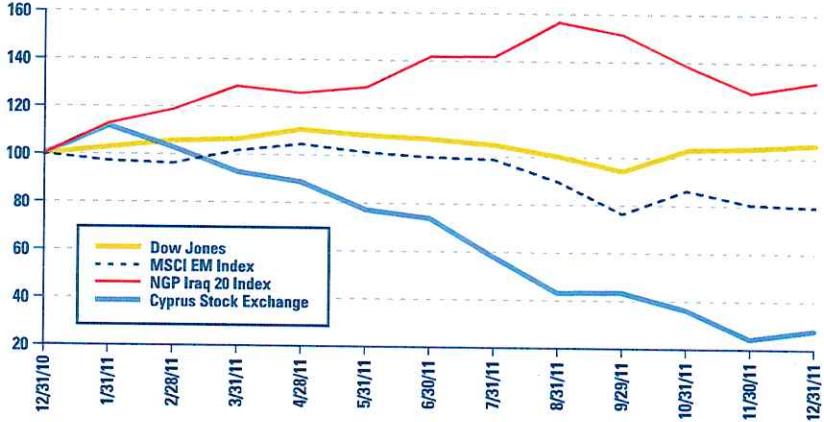
2013 Stock Index Performances (Rebased from 100)



2012 Stock Index Performances (Rebased from 100)



2011 Stock Index Performances (Rebased from 100)



Source: Bloomberg, MSCI

## Frontier Markets Have Respectable Macroeconomic Figures

GDP Growth (%)		2014	2015	2016
MSCI Frontier Markets Index	Simple Average	2.74	2.85	3.47
	Weighted Average	3.20	3.23	3.43
MSCI Emerging Markets Index	Simple Average	3.35	3.50	3.87
	Weighted Average	4.29	4.08	4.31
MSCI World (Developed) Markets Index	Simple Average	1.72	2.00	2.12
	Weighted Average	2.00	2.57	2.55
Inflation (%)		2014	2015	2016
MSCI Frontier Markets Index	Simple Average	3.42	4.41	4.46
	Weighted Average	3.83	5.61	6.56
MSCI Emerging Markets Index	Simple Average	3.64	3.62	3.68
	Weighted Average	3.36	3.32	3.32
MSCI World (Developed) Markets Index	Simple Average	1.08	0.53	1.45
	Weighted Average	1.54	0.25	1.38
Current Account Balance (% of GDP)		2014	2015	2016
MSCI Frontier Markets Index	Simple Average	-0.90	-2.38	-2.05
	Weighted Average	6.21	0.91	1.93
MSCI Emerging Markets Index	Simple Average	1.99	1.13	0.68
	Weighted Average	2.50	2.82	2.33
MSCI World (Developed) Markets Index	Simple Average	2.79	2.96	2.78
	Weighted Average	-1.03	-0.79	-0.88

As of April 2015

Source: International Monetary Fund, April 2015 Database

## Frontier Market Sovereign Debt Ratings (Long Term Foreign Currency Debt)

Kuwait	AA	Slovenia	A-
Estonia	AA-	Kazakhstan	BBB
Saudi Arabia	AA-	Panama	BBB
Slovak Republic	A+	Uruguay	BBB
Trinidad and Tobago	A	Bahrain	BBB-
Botswana	A-	Azerbaijan	BBB-
Latvia	A-	Morocco	BBB-
Lithuania	A-	Romania	BBB-
Oman	A-		

*Many frontier markets (17) have already achieved investment grade status!*

*As of August 20, 2015*

*Source: S&P*

# Benchmark Index: MSCI FM 15% Country Capped Index

September 30, 2015

## Allocation\*

Country	Weight	Companies
Nigeria	16.97%	17
Kuwait	15.11%	8
Argentina	10.05%	6
Pakistan	9.70%	16
Morocco	7.79%	9
Oman	6.07%	9
Kenya	5.88%	5
Vietnam	4.28%	10
Romania	3.91%	5
Lebanon	3.87%	4
Bangladesh	2.87%	4
Slovenia	2.49%	3
Sri Lanka	2.09%	3
Kazakhstan	2.01%	3
Croatia	1.48%	2
Mauritius	1.36%	2
Bahrain	1.30%	3
Jordan	0.88%	3
Tunisia	0.80%	2
Estonia	0.52%	2
Serbia	0.27%	2
Lithuania	0.17%	2
Bulgaria	0.13%	2
<b>122</b>		

## Top Ten Index Holdings

Country	Company	Weight	GICS® Sector
Kuwait	National Bank of Kuwait	5.21%	Financials
Nigeria	Nigerian Breweries PLC	3.67%	Consumer Staples
Kuwait	Kuwait Finance House	3.47%	Financials
Argentina	YPF SA	3.38%	Energy
Morocco	Maroc Telecom	2.49%	Telecommunication Services
Kuwait	Mobile Telecommunications Company	2.45%	Telecommunication Services
Nigeria	Guaranty Trust Bank	2.22%	Financials
Slovenia	Krka dd Novo mesto	2.08%	Health Care
Argentina	Grupo Financiero Galicia SA	1.94%	Financials
Argentina	Banco Macro SA	1.83%	Financials

## Index Characteristics

Number of Companies	122
Number of Countries	23
Adjusted Market Cap (\$ Billion):	86.8
Company Size (Adjusted \$ Billion)	
Average	0.71
Largest	4.52
Smallest	0.03
Median	0.50
% Weight Largest Company	5.21%
Top 10 Holdings (% Market Cap Share)	28.74%

## Tickers

MSCI FM 15% Country Capped Index	Bloomberg
Price Return	MXCBLRA
Total Return	M2CBLRA
Net Return	M1CBLRA

\*Index allocation may not equal 100% due to rounding.

Source: Bloomberg, MSCI

# Comparison: MSCI Frontier Markets Index

September 30, 2015

## Allocation\*

Country	Weight	Companies
Kuwait	22.25%	7
Nigeria	16.39%	18
Argentina	10.47%	6
Pakistan	7.36%	15
Kenya	6.43%	5
Morocco	6.39%	9
Oman	4.68%	9
Vietnam	4.01%	13
Kazakhstan	3.24%	3
Romania	2.65%	5
Slovenia	2.54%	4
Lebanon	2.49%	4
Bangladesh	2.48%	4
Sri Lanka	1.98%	3
Croatia	1.69%	3
Mauritius	1.15%	2
Bahrain	1.12%	3
Tunisia	0.67%	2
Jordan	0.66%	3
Estonia	0.46%	2
Ukraine	0.39%	2
Serbia	0.20%	2
Lithuania	0.15%	2
Bulgaria	0.15%	2

128

## Top Ten Index Holdings

Country	Company	Weight	GICS® Sector
Kuwait	National Bank of Kuwait	6.99%	Financials
Kuwait	Kuwait Finance House	5.47%	Financials
Kuwait	Mobile Telecommunications Company	4.26%	Telecommunication Services
Nigeria	Nigerian Breweries PLC	3.31%	Consumer Staples
Nigeria	Guaranty Trust Bank	2.47%	Financials
Morocco	Maroc Telecom	2.45%	Telecommunication Services
Argentina	YPF SA	2.42%	Energy
Argentina	Banco Macro SA	2.35%	Financials
Kazakhstan	KazMunaiGas Exploration Production	2.16%	Energy
Argentina	Grupo Financiero Galicia SA	2.15%	Financials

## Index Characteristics

Number of Companies	128
Number of Countries	24
Adjusted Market Cap (\$ Billion):	95.4
Company Size (Adjusted \$ Billion)	
Average	0.75
Largest	6.67
Smallest	0.01
Median	0.43
% Weight Largest Company	6.99%
Top 10 Holdings (% Market Cap Share)	34.03%

## Tickers

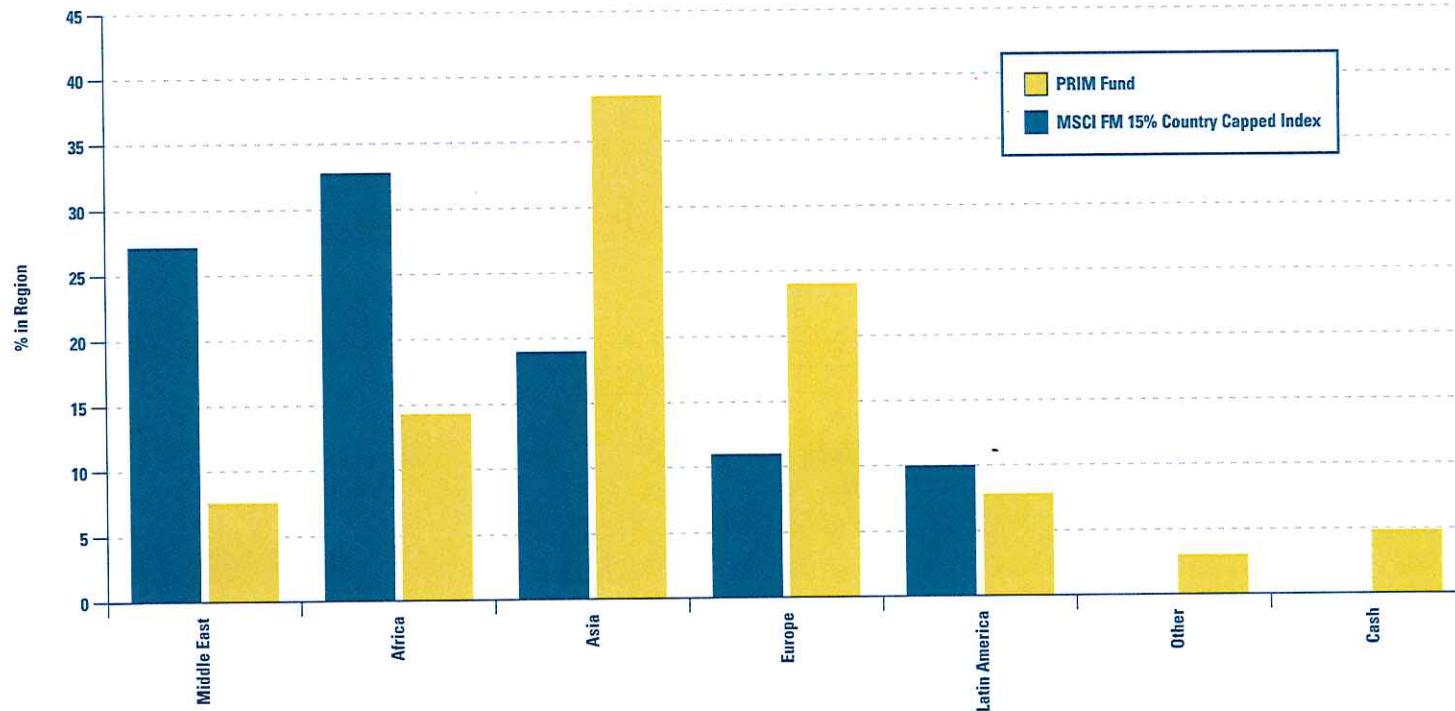
MSCI Frontier Markets Index	Bloomberg
Price Return	MXFM
Total Return	MSEUFMSG
Net Return	MSEUFMSN

\*Index allocation may not equal 100% due to rounding.

Source: Bloomberg, MSCI

## Regional Allocation\*

September 30, 2015



\*Index allocations may not equal 100% due to rounding.

Source: City of London Investment Management, MSCI

# Pension Reserves Investment Trust Fund Country Allocation Compared with the MSCI FM 15% Country Capped Index

As at September 30, 2015

Country	PRIM Fund	MSCI FM 15% Country Capped Index
Bahrain	0.1	1.3
Jordan	0.0	0.9
Kuwait	4.4	15.1
Lebanon	0.2	3.9
Oman	0.5	6.0
Qatar	1.3	0.0
Saudi Arabia	1.0	0.0
UAE	0.1	0.0
<b>Total Middle East</b>	<b>7.6</b>	<b>27.2</b>
Botswana	0.3	0.0
Cote D'Ivoire	1.1	0.0
Egypt	0.7	0.0
Ghana	1.4	0.0
Kenya	1.0	5.9
Mali	0.2	0.0
Mauritius	0.9	1.4
Morocco	0.8	7.8
Namibia	0.1	0.0
Nigeria	4.9	16.9
S Africa	0.3	0.0
Senegal	0.4	0.0
Tanzania	0.2	0.0
Tunisia	0.3	0.8
Uganda	0.1	0.0
Zambia	1.1	0.0
Zimbabwe	0.5	0.0
<b>Total Africa</b>	<b>14.3</b>	<b>32.8</b>

Country	PRIM Fund	MSCI FM 15% Country Capped Index
Australia	0.7	0.0
Bangladesh	5.5	2.9
China	0.1	0.0
Mongolia	0.1	0.0
Pakistan	9.0	9.7
S Korea	0.2	0.0
Sri Lanka	4.9	2.1
Vietnam	18.0	4.3
<b>Total Asia</b>	<b>38.5</b>	<b>19.0</b>
Argentina	6.5	10.0
Brazil	0.2	0.0
Jamaica	0.4	0.0
Mexico	0.1	0.0
Panama	0.2	0.0
Peru	0.4	0.0
<b>Total Latin America</b>	<b>7.8</b>	<b>10.0</b>

Country	PRIM Fund	MSCI FM 15% Country Capped Index
Austria	0.2	0.0
Bulgaria	0.0	0.1
Croatia	0.1	1.5
Estonia	0.4	0.5
Georgia	0.4	0.0
Hungary	0.2	0.0
Italy	0.1	0.0
Kazakhstan	2.8	2.0
Lithuania	0.1	0.2
Montenegro	0.1	0.0
Portugal	0.1	0.0
Romania	17.2	3.9
Russia	0.9	0.0
Serbia	0.2	0.3
Slovenia	0.3	2.5
Switzerland	0.1	0.0
Turkey	0.2	0.0
Ukraine	0.4	0.0
Other Europe	0.2	0.0
<b>Total Europe</b>	<b>24.0</b>	<b>11.0</b>
Canada	1.0	0.0
USA	0.5	0.0
<b>Total N America</b>	<b>1.5</b>	<b>0.0</b>
Other	1.5	0.0
Cash	4.8	N/A
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: City of London Investment Management, MSCI

# Pension Reserves Investment Trust Fund Portfolio Holdings

September 30, 2015

Fund	% Total Fund
Fondul Proprietatea GDR	10.48
Vietnam Opportunity Fund	7.00
Vietnam Enterprise Investments Ltd	6.81
Terra Capital Plc	5.99
BlackRock Frontiers Investment Trust	5.13
Advance Frontier Markets Fund	4.60
DB X-Trackers MSCI Pakistan IM TRN Index UCITS ETF	3.84
iShares MSCI Frontier 100 ETF	3.67
Africa Opportunity Fund	3.59
DB X-Trackers S&P Select Frontier UCITS ETF	3.58
DB X-Trackers MSCI Bangladesh IM TRN Index UCITS ETF	3.52
SIF 2 Moldova	3.34
PICIC Growth Fund	3.15
Pampa Energia SA	2.92
Sturgeon Central Asia Equities Fund	2.80
Lyxor ETF FTSE Coast Kuwait 40	2.33
Ceylon Guardian Investment Trust	1.87
ASA Gold and Precious Metals Ltd	1.84
SIF 5 Oltenia	1.65
Market Vectors Africa ETF	1.61
Lanka Milk Foods PLC	1.55
Vietnam Holding Ltd	1.54
Global x Nigeria Index ETF	1.31
East Capital Explorer AB	1.20

Fund	% Total Fund
SIF 1 Banat-Crisana	0.99
Ikarus Petroleum Industries KSCC	0.96
Africa Opportunity Fund C-Share	0.94
BlackRock World Mining Trust	0.93
Qatar Investment Fund	0.90
Vietnam Growth Fund Ltd	0.86
Ceylon Investment	0.78
Promotion & Development Ltd	0.75
Global X MSCI Argentina ETF	0.58
Renasset Nigeria Fund	0.55
Geiger Counter Ltd	0.49
Imara Nigeria Fund	0.47
Grameen Mutual Fund Scheme 2	0.32
Green Delta Mutual Fund	0.21
Reliance One Mutual Fund	0.08
PICIC Investment Fund	0.08
<b>Net Receipts (including cash)</b>	<b>4.79%</b>
<b>Total</b>	<b>100.00%</b>

*Numbers are rounded and may not equal 100*

Source: City of London Investment Management

# The Investment Management Team

## ► Portfolio Management

**Jeff Gill** is the Portfolio Manager for the Frontier Emerging Markets Strategy and is based in the **Philadelphia office**. Jeff joined CLIM in 2004 as a Research Analyst and has also worked as a Portfolio Manager in the London office. Jeff graduated with a Bachelor of Arts in Management Information Systems (with distinction) from Eastern University, and has passed the Investment Management Certificate (IMC).

**Tarang Patel** is an Assistant Portfolio Manager based in the **London office**. Tarang joined CLIM in 2000. He initially worked as a research analyst in the Emerging Markets closed-end fund business for six years before transitioning to CLIM's direct equities business in 2006. Within the equities business, he covered Emerging Market Asian, Middle Eastern, and African markets, as well as Precious Metal companies globally. Tarang joined the Frontier Markets team in 2013 to cover European, African, and Central Asian markets. He holds an MSc in Applied Economics and a BSc(Hons) in Business Economics from the University of Surrey. Tarang is a CFA Charterholder.

## ► Research

**Ahmed Jaber** is a Research Analyst based in the **Dubai office**. Ahmed joined CLIM in 2010 as a Desk Assistant, supporting the Portfolio Managers. Prior to joining CLIM he worked for Al Salem Co, a Private Investment family office where he was responsible for handling the group's foreign investment portfolios and structured products. Ahmed attended the American University of Sharjah, UAE, where he earned his BSBA in Finance and Management Information Systems. He is fluent in both English and Arabic and has a solid understanding of the MENA region. Ahmed has passed the Investment Management Certificate (IMC).

## ► Macroeconomics

**Michael Hart** is Group Economist based in the **London office**. Michael joined CLIM in 2013. Prior to joining CLIM, he was Director of FX Strategy at Roubini Global Economics. Prior to that, Michael was the European Head of FX Strategy at Citigroup, following 12 years of work on emerging markets. During this time, Michael covered both Latin American and Eastern European economies for various leading investment banks. He also served in the public sector, having been responsible for the sovereign credit risk exposure at the European Bank for Reconstruction and Development (EBRD). Michael holds a B.Sc. from the London School of Economics and undertook doctoral studies in Economics at Columbia University in New York.

**Lyndon Barreto** is an Economic Analyst based in the **London office**. He joined CLIM in October 2006 as a Desk Assistant and was promoted to the role of Economic Analyst in 2011. Lyndon is a CFA Charterholder and holds a BSc in Economics from the University of Nottingham and an MSc in Finance from Imperial College Business School.

## ► Resources Across All CLIM Centers

**Barry M. Olliff** is Chief Executive Officer/Chief Investment Officer CLIG based in the **Philadelphia office** and has over 50 years of experience in the closed-end fund sector. Prior to forming CLIM in 1991, he was Chief Executive Officer of Olliff & Partners, a stock broking firm he founded in 1987. Previously he served as a Director of Laing & Cruickshank, where he worked for eight years. From 1963 until 1978, he was a market maker in closed-end funds for Denny Brothers, which became Pinchin Denny in 1973.

**Mark Dwyer** is Chief Investment Officer EM CEF Group based in the **London office**. Mark re-joined CLIM in 2012. Prior to re-joining CLIM, Mark spent over eight years as a Director within the Wealth Management Unit of Banco Comercial Português, where he was primarily in charge of the investment team responsible for fund selection. He had previously established CLIM's Singapore Office in 2000 where he spent two years as a Portfolio Manager before returning to London where he was head of the emerging market closed-end fund investment team until 2003. He also worked in the US office from 1997-1999 as a Portfolio Manager and the London office from 1995-1996 as a research analyst. He holds a BA (Hons) in Economics from Kingston University, and is a CFA Charterholder.

**Christopher Weaver** is a Portfolio Manager based in the **London office**. Chris joined CLIM in 1998 as a Research Analyst and has also worked as a Portfolio Manager in the Dubai and Singapore offices. Prior to joining CLIM, Chris spent two and a half years working in the international research department of Daishin Securities Ltd. in Seoul, South Korea. He became fluent in the Korean language after graduating from Yonsei University with a diploma in Korean. He holds a BA (Hons) in Economics from University of Portsmouth, and is a CFA Charterholder.

**Oliver Marschner** is Head of EM CEF Investment Management, Singapore, based in the **Seattle office**. Oliver joined CLIM in 2001 as a Research Analyst and has also worked as a Portfolio Manager in the London office. Prior to joining CLIM, Oliver worked for the Bank of New York (Europe) Retail Investments Team and for Chase Fleming Private Wealth Managements. He completed his studies in South Africa where he attained an Honours degree in B.Com (Management Accounting) at the University of Stellenbosch. Oliver has passed the Investment Management Certificate (IMC).

**Carolyn Murphy** is a Portfolio Manager based in the **Singapore office**. Carolyn joined CLIM in 2007, performing the functions of both Desk Assistant and Research Analyst. Carolyn began her career in Finance at Legg Mason Capital Management, where she worked as a Registered Sales Assistant in the Fixed Income Department, specializing in High Yield Products. Carolyn was part of the team acquired by Stifel Nicolaus in 2005 where she remained briefly before taking a position at Raymond James Financial. She holds a BA from the University of Delaware.

**Ted Sevick** is a Portfolio Manager based in the **Philadelphia office**. Ted joined CLIM in 2006 as part of the Fund Accounting Department. Prior to joining CLIM, he worked at The Vanguard Group, first in the Fund Accounting Department and later as a Fund Analyst focused on Vanguard's Manager Search efforts. He holds an MBA in Finance from Saint Joseph's University and a BS in Finance from the Pennsylvania State University.

# The Investment Management Team (Continued)

## ► Product Development

**Carlos Yuste** is a CLIG Director responsible for product development based in the **Philadelphia office**. Carlos joined CLIM in 2000. Prior to joining CLIM, between 1994 and 1998 he worked as a Project Officer at the International Development Research Centre, which specializes in emerging markets research. He holds an MBA (Finance) from the Schulich School of Business, York University, an MA in Political Economy from Carleton University, and a Bachelor of Social Sciences from the University of Ottawa.

## ► Investment Management Operations

**Tom Griffith** is a CLIG Director and the Chief Operating Officer based in the **Philadelphia office**. Tom joined CLIM in 2000 as the US Operations Manager. Prior to joining CLIM, Tom worked for The Vanguard Group. Tom held various positions at Vanguard in the defined contribution retirement division responding to plan participant inquiries, managing client relationships and as a marketing executive. Tom holds a BS in Corporate Finance and Investment Management from the University of Alabama.

**Alan Hoyt** is the Head of Information Technology based in the **Philadelphia office**. Alan joined CLIM in 2009 and has over 25 years of experience in the IT industry. Prior to joining CLIM, Alan worked as the Chief Technology Officer for PLANCO, a Hartford Life Company, where his role was expanded to include Vice President. Before PLANCO, Alan held positions at The Vanguard Group, New York Life Benefit Services, and as a Technology Consultant in Boston. Alan holds a Masters in Computer Information Services from Bentley College and a Bachelors in Science from the University of Massachusetts as well as certificates from the Wharton Executive Management program.

**Rebecca Hershberger** is a Fund Accounting Manager based in the **Philadelphia office**. Rebecca joined CLIM in 2006 as a Fund Accountant. In May 2012 Rebecca was promoted to Fund Accounting Manager following completion of the Investment Operations Certificate (IOC). In December 2012 she also received a certificate in Advanced Global Securities Operations. Both certificates were received and issued through the Chartered Institute for Securities & Investment. She is currently responsible for overseeing the daily valuation of CLIM managed funds. She graduated from West Chester University in 2006 with a Bachelor of Science in Accounting.

**Anthony Inverso** is an Operations Manager based in the **Philadelphia office**. Anthony joined CLIM in 2008 as part of the Fund Accounting Department, and has also worked as a Research Analyst in the London office. In May 2012, Anthony was promoted to Operations Manager following completion of the Investment Operations Certificate (IOC). Prior to joining CLIM, he worked for a private wealth management firm based in the Philadelphia area. He graduated from Pennsylvania State University's Schreyer Honors College with a Bachelor of Science in Management Information Systems and a Bachelor of Arts in English.

## ► Corporate Governance

**Jeremy Bannister** is Director, Corporate Governance and is based in the **Philadelphia office**. Jeremy re-joined CLIM in 2005. Jeremy worked at The Vanguard Group from 1985 - 2005 in the product development and portfolio review departments, becoming a principal in 1992. He originally joined CLIM in 1998 in a client servicing role and returned to Vanguard later that year. He holds a JD from Widener University School of Law and a BA in Economics from the University of Pennsylvania.

**Simon Westlake** is an Executive based in the **London office**. Simon joined CLIM in 2008 and is Head of Corporate Governance in London. Prior to joining CLIM, he spent six years managing a long/short equity fund with Charles Taylor plc, having previously been a senior pension fund manager at Gartmore since 1994. Simon is a designated ASIP by the CFA Institute, holds an MBA from Henley Management College and graduated from City University with a BSc (Hons) in Banking and International Finance in 1985.

## ► Performance & Attribution

**Rachael Shaffer** is the Head of Performance and Attribution based in the **Philadelphia office**. Rachael joined CLIM in 2005 as a Performance Analyst. Prior to joining CLIM she worked in the financial services industry for over three years, as part of Northwestern Mutual Financial Network, where she acted as an associate representative researching investment options and building asset allocations for retail clients. Rachael graduated from Temple University in May 2005 with a Bachelor of Business in Actuarial Science.

**Jennifer Kratzer** is a Senior Performance Analyst based in the **Philadelphia office**. Jennifer joined CLIM in 2007. In addition to being part of the Performance & Attribution team, she oversees the GIPS verification process for CLIM. Prior to joining CLIM, she worked for Susquehanna Bancshares, Inc. She graduated from Lebanon Valley College in May 2005 with a Bachelor of Science in Mathematics.

**Brett Emery** is a Performance Analyst based in the **Philadelphia office**. Brett joined CLIM in 2012. He has also worked as a Fund Accountant in the Philadelphia office. Brett graduated from Ursinus College in December 2011 with a Bachelor of Science (Phi Beta Kappa) in Mathematics.

## ► Compliance

**Kevin Tolan** is the Head of Compliance, based in the **London office**. Kevin joined CLIM in September 2010 and oversees compliance for CLIM globally. His previous position was at Blackfriars Asset Management as their Chief Risk and Compliance Officer, and he has 15 years compliance experience. He holds an LLB Law Degree from the University of Sheffield, a Management Diploma administered by Royal Holloway University, and has successfully completed the Chartered Institute for Securities and Investments Diploma.

# Client Support

## ► Marketing

**Todd Fawaz** is Head of US Marketing based in the **Philadelphia office**. Todd joined CLIM in 2008. Prior to joining CLIM, he was a Principal in the Consultant Relations Group at Robeco Investment Management. Prior to this, Todd worked at Fidelity Management Trust Company where he was a Consultant Relationship Manager. Prior to this, Todd had been an analyst supporting senior consultants at New England Pension Consultants. He began his career as an associate with Prime, Buchholz & Associates, Inc. where he was responsible for performance measurement, reporting and competitive analysis. Todd holds a BA degree in business administration from the University of New Hampshire.

**Kevin Ginnever** is a Marketing Representative based in the **Seattle office**. Kevin joined CLIM in May 2015. Prior to joining CLIM, he worked for Russell Investments from 1989 to 2015 in their Tacoma and Seattle offices. For the last 10 years he was responsible for developing institutional outsourced CIO (OCIO) relationships with senior finance executives and board trustees, improving efficiencies in managing their company sponsored defined benefit employee retirement programs and/or endowment and foundation. Kevin holds a BA degree in Communications and the Executive Program from the University of Washington. He is also Series 7, 63 FINRA registered.

## ► Client Servicing

**Courtney Short** is Head of Client Servicing based in the **Philadelphia office**. Courtney joined CLIM in 1996 as the first US member of CLIM's Philadelphia office. She originally developed the US Client Servicing Department and is responsible for all client and consultant requests. Courtney has a BS in Chemistry & Environmental Science from Dickinson College.

**Josephine Kitcher** is the European Operations and Client Servicing Manager based in the **London office**. Josephine joined CLIM in 2004 and moved into her current role after three years in the Finance Department. She has been employed within the Financial Sector since 2001 and currently serves as the first point of contact for European client and consultant inquiries.

**Rebecca Annan** is a Senior Client Servicing Representative based in the **Philadelphia office**. Becca joined CLIM in 2010, and is responsible for all client and consultant requests. She has been employed in the financial services industry since 2007, previously working at an investment real estate firm focusing on investor and lender relations. Becca earned a Bachelor of Science degree from Liberty University.

**Krista Uri** is a Senior Client Servicing Representative based in the **Philadelphia office**. Krista joined CLIM in 2006. Prior to re-joining the Client Servicing team in 2014, she worked as a Client Servicing Representative in both the US and London offices. She also worked in the Investment Management team as a Desk Assistant/Research Analyst and the Corporate Governance team as a Corporate Governance Research Analyst, where she was the primary contact for corporate actions across all four offices. She graduated from Shippensburg University in May 2006 with a Bachelor of Science Business Administration (BSBA) in Marketing.

**Important Notice**

City of London Investment Management Company Limited is authorised and regulated by the Financial Conduct Authority, registered as an Investment Advisor with the Securities and Exchange Commission (SEC) and regulated by the Dubai Financial Services Authority (DFSA). All reasonable care has been taken in the preparation of this information. No responsibility can be accepted under any circumstances for errors of fact or omission. Values may fall as well as rise and you may not get back the amount invested.

The information contained in this document is confidential and is intended only for the use of the person to whom it is given and is not to be reproduced or redistributed. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Changes in currency exchange rates will affect the value of the investment. Discounts are calculated using estimated NAVs by City of London's Research Department.