



VENICE

VIENNA

# BALKAN EMERGING FRONTIERS FUND

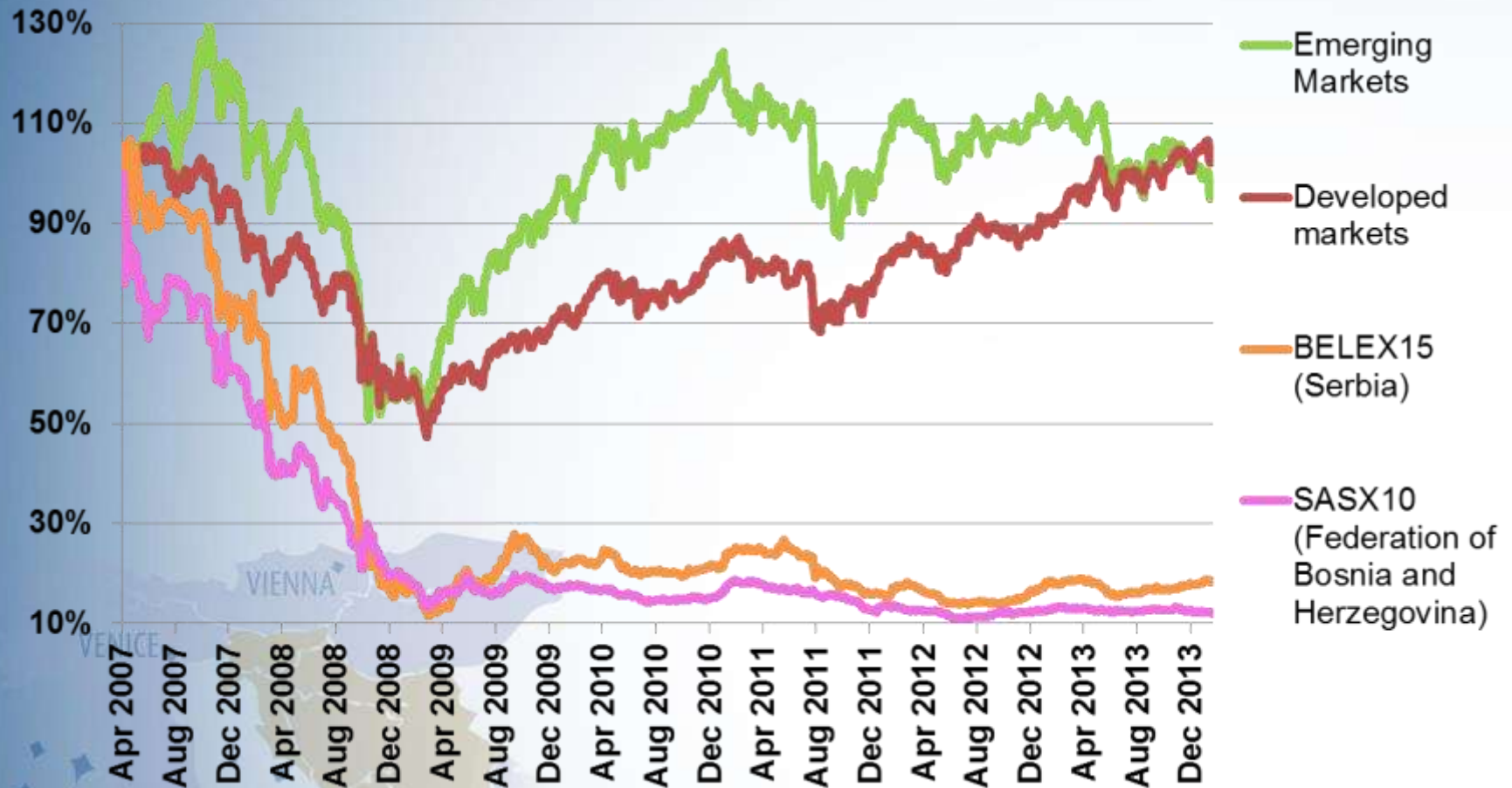


UNIQUE OPPORTUNITY IN THE HEART OF EUROPE.

# Why to invest in Western Balkans region?

- **Most prospective region** in Europe
- **Huge** short term as well as mid to long term **potential**
- Short term: Indices **lagging behind most** in the world – only **10 - 15% of 2007's highs**
- Mid to long term: On different stages of **EU accession** – **convergence** of economies and valuations – **last catch up story in Europe**

# Stock indices from Western Balkan countries are still lagging behind global stock indices



Source: Regional Stock Exchanges

# Western Balkans - Last catch up story in Europe

- Slovenia is already **EU, Eurozone** and **OECD** member



- **Croatia** is already **EU** member



- Other countries on different stages of **EU accession**



# Convergence of economies and valuations to EU

- Bosnia and Herzegovina, Serbia, Montenegro and Macedonia are starting to **develop infrastructure** – with **huge** impact on **growth** and creation of **wealth**
- **Privatization** and **M&A** cycles are **accelerating**
- **Rich in coal and minerals**; only 30% of their **huge hydro potential** exploited until now
- Domestic **savings** will **increase** and **more and more foreign capital** will flow in

# Why to invest with BEF Fund?

- **All countries** experiencing the **process which other new EU member states** have **already** gone through
- Stock markets still **very inefficient** – **plenty** of investment **opportunities** available
- IM active in the region for **18 years** – almost from the start of privatization – **excellent contacts**
- **Experience** and **local presence** - we receive, evaluate and **exploit information** very **fast** and **efficient**; mitigation of risks



# Fund Objective & Investment Strategy

- Investing exclusively in public securities
- Providing **net returns** that **exceeds** developed, emerging, frontier & local **indices**
- **Bottom-up** investment approach
- We are **exploiting** pricing **inefficiencies**
- Primary risk mitigation: **diversification**. Position **limits** for countries, industries and companies
- Allocation % to individual countries dependent on **macro factors**

# Do not miss the opportunity!

- **Last undiscovered** investment region in the **heart of Europe**. Very close to **Venice** and **Vienna** (only 1 and 2 hours drive by car from the region).
- **High BETA!** When the capital will start to flow back to the region, we will be able to see **huge increases of stock price indices**.
- The **time to enter** and build positions **is now!**

# BEF Fund – Cumulative performance



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# BEF Fund

Balkan Emerging Frontiers Fund segregated portfolio of JP SPC 5

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