PRESS RELEASE

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UK Trustees should dig a little deeper to find gold in Africa says RisCura

RisCura, the investment advisors specialising in emerging markets, today advised that when reviewing the advantages of investing in Africa, trustees of UK pension schemes should make sure they, and their advisors, are looking beyond the basic stock market figures and instead at the real industry areas of growth and return.

Andrew Slater, Managing Director in the UK, commented: "The recent returns in many areas of African investment have eclipsed those of the developed nations many times over. However it is vital that the proper research is undertaken to find these opportunities, as simply reviewing stock market performance will not always give an accurate picture – due to the distorted proportions of industries included in their stock exchange listings.

"RisCura's recent research project into Africa shows that there have been, and continue to be, plenty of excellent opportunities for UK pension schemes to arrest their funding decline and achieve strong returns through increasing their asset allocation to Africa. However, the areas that are producing large proportions of African nations' GDPs are often underrepresented in their nation's stock market listings. For example, the financial services sector in Egypt represents 29% of the stock exchange, but only contributes 7% of the GDP. Conversely, the energy sector in Nigeria provides 40% of the country's GDP, but is not a significant component of the listed market."

Slater continued: "Any investor new to emerging markets, particularly Africa, may easily make the mistake of judging the performance of all a particular country's investments by the movement of its stock markets. To then decide on these figures alone not to invest could mean missing out on some high-performing opportunities that could really help the scheme's funding level. Trustees' duty to find the best funding solution to help member retirement benefits should obligate them to spend time looking more closely at these prospects and review the research undertaken by their advisers for making recommendations. The right research and expertise can open the door to striking gold with a different type of investment opportunity."

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NOTES TO EDITORS

RisCura are investment advisors, specialising in investments in emerging markets, specifically Africa. The company services institutional investors with over $200 billion in assets under management, as well as a significant number of asset management, hedge fund and private equity firms.

RisCura is a global, independently owned financial analytics provider and investment consultant, founded 12 years ago, with a large office in Cape Town, South Africa and additional offices in Johannesburg and Windhoek (Namibia). With an entrepreneurial and passionate team in place, and as a specialist in manager research and selection in emerging markets, RisCura have established an office in London, offering a comprehensive range of expertise to UK pension funds.

For more information about RisCura, visit www.riscura.com

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