



9 November 2015

AFFILIATED MANAGERS GROUP (AMG) ACQUIRES STAKE IN ABAX INVESTMENTS (ABAX)

The team at Abax are delighted to announce today that we have concluded an agreement with AMG (a NYSE listed US Investment firm) to acquire an equity stake in our business.

Since its founding in 2003 the team at Abax have worked tirelessly to gradually build an independent fund management business, single-mindedly focussed on delivering investment performance to our clients and employing the services of only the most skilled investment managers and client services professionals, all of whom are shareholders in the firm and whose incentives are directly aligned to those of the firm's clients. It is a model that we believe has, and will continue to, serve our clients' best interests.

AMG, since its founding in 1993 and listing on the NYSE in 1997, has built a globally diversified portfolio of holdings in many of the world's most admired and respected investment management firms (principally in the US and Europe) and which include names such as Tweedy Browne, Harding Loevner, AQR and Veritas. As at November 2015 AMG has a market cap of US\$10 billion and holds stakes in 32 firms which collectively manage assets in excess of US\$615 billion. Abax Investments will be their first investment in a manager located in an emerging market and we are sincerely flattered to be selected to join this all-star collection of fund managers on the global stage.

More importantly, we are attracted by AMG's investment philosophy of partnering with the best fund management boutiques around the world and allowing the management teams to continue running their firms without interference. Over the extensive due diligence process which both parties performed we were able to verify this through interviews with several affiliates, some of whom have already been partners with AMG for more than a decade.

Although this initial stake is a minority interest, it represents the start of a long-term partnership and the commitment of both parties is further evidenced by the following:

1. All existing shareholders are affected equally with only a minority equity stake being sold to AMG (i.e. no shareholder is exiting);
2. AMG are subscribing for a new class of shares which do not carry voting rights;
3. AMG's stated business model (ref www.amg.com) is to allow their affiliates to continue to operate independently, and this is evidenced not only by the above point, but also because they will have no Board representation;

4. The four senior investment managers have signed 10 year employment contracts and the entire balance of the staff complement have insisted on deferred receipt of their transaction proceeds;

Additional attractions for us are that, over their 20 years in business AMG have built an in-house team with expert global knowledge of technology and best practise in the fields of Legal, Compliance, Risk Management and Information Technology as it pertains to the investment management industry and which Abax will be able to access as it needs or chooses.

AMG have also built a global distribution platform with a team of professionals spread across 30 countries to assist their affiliates – at their nomination – to intelligently access savings pools across the world and to which in the next few years we hope to add our own Global Equity product.

Given their tested expertise and global perspective, we consider AMG’s investment in our firm to be a significant stamp of approval of our business, our investment team and the process we follow. We trust that this is a confidence shared by our clients and assure you of our vigilant attention to maintain our track record in that regard.

We look forward to the years ahead in continuing service of our loyal clients and with our new partner.

Sincerely

Anthony Sedgwick
Chief Executive
On behalf of the Abax team