

## LETTER FROM THE CHAIRMAN

### GLOBAL MENA FINANCIAL ASSETS LIMITED (the Company)

*(A closed-ended investment company incorporated and registered in Guernsey under the Companies (Guernsey) Law 1994 (as amended) with Registered Number 48983)*

Directors:

**Anne Ewing (Chairman)**  
**Samir Sayeed**  
**Richard L Denton**  
**Karim El Khadem**

Registered Office:

**Arnold House**  
**St. Julian's Avenue**  
**St. Peter Port**  
**Guernsey GY1 3NF**  
**The Channel Islands**

**Date: 12 May 2020**

Dear Shareholders,

#### **Extension to the life of the Company**

##### **1. Introduction**

I am writing to you today to inform you that, in accordance with article 14 of the articles of incorporation of the Company, the board of directors of the Company has exercised its discretion and resolved to extend the life of the Company until the thirteenth annual general meeting of the Company, which is currently expected to fall in the fourth quarter of 2021."

##### **2. Background to and reasons for the extension**

On 16 August 2012 the Company sought and approval was granted by investors to amend the articles of incorporation of the Company, which articles provide that at the twelfth annual general meeting of the Company the board of directors of the Company is required to propose or cause to be proposed a special resolution of the Company to the effect that the Company shall be wound up. This requirement is however subject to a provision that the board of directors of the Company may, on no more than two occasions, in its absolute discretion determine to extend the life of the Company for any purpose for one year. Accordingly, the board of directors following the extension referred to in this letter retains the discretion to determine a further extension of the Company to the fourteenth annual general meeting of the Company

Since that time the Company has operated under a clear exit plan with a 4 year Harvesting Period ending on 31<sup>st</sup> March 2020. During the Harvesting Period the Company has exited nine investments and distributed US\$110Million to investors (US\$181Million distributed since inception of the fund). However, a number of investments remain to be exited.

The performance of the Company's portfolio companies has been affected by the aftermath of the "Arab Spring", the recent Gulf crisis and the current and evolving Covid-19 pandemic. With slow and hampered growth in the MENA region over the last financial year coupled with impact of Covid-19, it will be difficult to expect a reasonable return in the short to medium term. Reduced liquidity in markets and uncertainty leading to more cautious investors has resulted in delayed decision making affecting many companies who are fighting with immediate issues daily in a fast

changing environment. Indeed one of our portfolio companies has been adversely affected by Covid-19 and will need time and some stability in the food and beverage industry to recover. A longer exit runway would give the Investment Manager the required time to achieve improved value for investors.

The Board, on the advice of the Investment Manager, therefore today resolved to extend the Company's term by one year from the twelfth annual general meeting of the Company (2020) to the thirteenth annual general meeting of the Company (2021). Extension of the Company's term with a clearly defined term would help improve exit prospects, which could potentially be lost in a forced sale situation should the Company be liquidated after the 12<sup>th</sup> Annual General Meeting.

This is also important due to the fact that Shareholders do not currently have any readily available exit. The matched bargain facility (provided after delisting of the Company in 2010) has not provided the anticipated assistance in this area, due to lack of demand. It should be noted that this facility continues to remain available to investors. Investors can obtain further information through the Company Secretary at the Company registered address above or at [www.gmfa.com](http://www.gmfa.com)

The Investment Manager will continue to manage the investments actively and look to exit from all of them at the right valuation and distribute proceeds to investors after making provisions for the Company's expenses, including any fees.

Investment decisions (in respect of exiting investments) will continue to be made by the investment committee of the Investment Manager, which will comprise of senior members from the Investment Manager's private equity management team.

Please be assured that the Company will continue to engage with and inform shareholders with portfolio reports and information via its website and through direct updates from the Investment Manager.

Yours faithfully

*Anne Ewing*

Anne Ewing  
Chairman