



Verno Capital and SPRING merge to create Russian investment management specialist

Moscow, 26 November 2018 – Verno Capital and SPRING, two leading fund managers that specialise in the Russian and CIS markets, today announce plans to merge their public asset management businesses to create a \$500 million investment management firm focused on Russia and the CIS region. The terms of the transaction are not being disclosed.

The merged company, Spring Capital, will focus on managing international institutional funds into the public equity markets of the region. The merger will enhance the scale and resources of the combined business, increase operational efficiencies and allow the joint investment team to focus on its core mission of effectively investing on behalf of clients. The private equity businesses of both firms will remain separate.

Verno and SPRING are highly complementary in terms of both expertise and approach. Both firms employ a fundamental, bottom-up investment process and prioritise on-the-ground research and interaction with the companies they invest in. And both firms have deep experience in, and commitment to, the Russian and CIS markets, while operating to best Western business standards.

SPRING, or Specialised Research and Investment Group, was founded in 2003 by Chief Investment Officer David Herne. Herne, who has been based in Moscow since 1992, is well known as one of the most successful and experienced investors in the Russian market. In July, the Financial Times recognised SPRING's flagship Specialised Russian Growth fund as the No.1 performing Europe-based fund of \$100m or more over the previous three years.

Verno Capital was founded in 2009 and has a reputation as the investment manager of choice for major institutions from Europe, the United States and the Middle East seeking exposure to Russia and the CIS. The firm's public markets business seeks to maximise long-term returns by fundamental stock selection.

Upon completion of the merger, David Herne will be CIO of the new company across the public funds, and the two research teams will be merged. Verno's Roland Nash will be Chief Investment Strategist and Roman Kudryashov will remain in charge of Verno's private equity business.

David Herne said: "I look forward to working with Roland and the Verno team. I have enjoyed the past 15 years working with talented, energetic and intellectually curious colleagues and the Verno folks are in the same mould. Our emphasis will remain providing outperformance for our investors in a robust, institutional framework."

Roland Nash said: "The combination of our businesses creates a formidable player in public equities asset management. Verno and Spring share the same dedication to bringing the best global standards to managing funds in Russia and the CIS region. With this merger, we are able to bring together in one team some of the best and most experienced research and investment professionals in our geography."



About Verno Capital

Verno Capital is dedicated to investing in the combined Russian and CIS region. Founded in 2009 by one of the leading and most experienced teams in the capital markets of Russia and the former Soviet Union, the firm's objective is to maximise long term returns through on-the-ground research and fundamental bottom-up analysis while managing risks. Verno's investment processes and operational infrastructure are designed to meet the requirements of global institutional investors.

Verno Capital offers access to investment opportunities both through actively managed public equity funds and through private equity funds in Russia and Kazakhstan. Verno's offices are located in Moscow, London, Astana and Abu Dhabi. Verno is regulated by the FCA in the UK and by the ADGM in Abu Dhabi.

About SPRING

Founded in 2003, SPRING, Specialised Research and Investment Group, concentrates on managing funds in Russia and the CIS region for international institutional clients. SPRING has offices in London (FCA-regulated), Moscow and the Cayman Islands. The SPRING team has held together through financial crises and market turmoil, outperforming the market through a consistent, research-focused investment process. The team believes that a geographical focus, deep understanding of investee companies and frequent meetings lead to outperformance over the course of the business cycle. The firm employs 20 investment professionals, some of whom have been active in Russia's financial markets since the 1990's, when the markets began. They were directly involved in organising such events as the first Russian listing on NYSE (1996), first local IPO (2002) and Russia's first investor conference (1996). SPRING's flagship strategy is a Long-Only equity product focused on Russia.

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