

PRESS RELEASE

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South River Asset Management launches in UK

South River Asset Management, a specialist asset management company based in the City of London, has launched following the management-backed acquisition of Peterhouse Asset Management Ltd by Zhejiang Zhongnan UK Ltd (ZZ UK) ¹ from Peterhouse Corporate Finance Ltd.

ZZ UK is a subsidiary of Zhejiang Zhongnan Holdings Group (ZZHG), a leading Chinese diversified conglomerate, and has acquired both Peterhouse Asset Management Ltd and Peterhouse (Capital) Guernsey Ltd. The businesses have been renamed South River Asset Management Ltd and South River (Guernsey) Ltd. The names reflect the location of Zhejiang Zhongnan on the Qiantang river in Hangzhou, Zhejiang Province and the new logo represents the link between east and west.

The boutique investment business will use its existing platform to offer a range of specialist mandates to investors, with the financial strength of a top Chinese company supporting its future growth and ambitions.

Funds offered at launch by South River include the group's flagship Gold and Precious Metals fund, managed by a director of ZZ UK and senior fund manager at South River Amanda Van Dyke. The business also manages a range of segregated mandates for institutions including UK universities and a suite of multi-asset funds is managed by South River (Guernsey) and advised by South River Asset Management, ranging in scope from Cautious Cash+ products to Diversified mixed asset and single strategy products. Total assets under management currently at circa \$100m.

Amanda Van Dyke, Director of ZZ UK and Senior Fund Manager at South River Asset Management, said: "ZZHG is a top 500 Chinese private enterprise and has ambitions to grow in asset management, both here in the UK and in China. As the leading conglomerate in Zhejiang province, where ZZHG has been headquartered for 34 years, the group has access to a superb network of individuals who want to invest in Europe to grow their wealth, and we are delighted to be involved in a true east/west partnership."

Wei Wu, President of Zhejiang Zhongnan and Chairman of Zhejiang Chengxiang Investment Company Limited, said: "We are delighted to have partnered with the PAM Management Team to acquire Peterhouse Asset Management and Peterhouse (Capital) Guernsey. The strength of the fund management operation in London provides a robust investment platform and a genuine partnership between East and West. With Zhejiang Zhongnan's network and reputation in China, we believe we can develop strong growth in the future."

Richard Battersby, Director of South River (Guernsey) Limited commented: "This is a very positive development for our Guernsey clients in our view. Zhejiang Zhongnan's reputation is excellent and long standing and the interest being shown in the island by such an important Chinese investor is highly encouraging."

¹ ZZUK was advised by Memery Crystal LLP

Stephen Watson, CEO of South River Asset Management, added: "We warmly welcome the Zhejiang Zhongnan Holdings Group as our new owner and partner. The combination of the experienced team in London backed by a leading Chinese shareholder is very exciting for the group."

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Notes to editors

Zhejiang Zhongnan UK Limited (ZZ UK) has acquired the businesses of South River Asset Management Limited (formerly Peterhouse Asset Management Limited (PAML)) and South River (Guernsey) Limited (formerly Peterhouse Capital (Guernsey) Limited (PCGL)) from Peterhouse Corporate Finance Limited.

ZZ UK is a subsidiary of Zhejiang Zhongnan Holdings Group (ZZHG) which is based in Hangzhou and is an AA rated Chinese diversified conglomerate with US\$2.5 billion of revenues as at December 2015. Established in 1984, it has businesses ranging from asset management to infrastructure, media and technology.

South River Asset Management is a full scope AIFM licenced asset manager with licences to manage money in the UK, in Ireland via its ownership of a qualifying aif structure in Dublin and Guernsey via an advisory agreement with South River (Guernsey) Limited.

Combined assets under management for the two groups total c. US\$300 million

The South River investment team comprises senior fund managers from top houses like Framlington, Invesco, Old Mutual and Threadneedle. The firm's principals in London are Amanda Van Dyke and Stephen Watson and they are supported by around 10 professionals in investment management, marketing and sales, and operations and compliance.

South River Asset Management: Investment Team Bios

Stephen Watson

Senior portfolio manager running international multi-asset and equity portfolios. Previously he was responsible for pan-European accounts and co-ran international equity funds at Northern Trust. Before that he was head of European equities and director at Framlington. Stephen has a BA Hons degree in Politics from Durham University.

Amanda Van Dyke

Senior portfolio manager and mining equity specialist. She has been previously with the mining teams of GMP, Pareto, and Dundee Securities, as an analyst and is also a former Chairman of Women in Mining UK, and a member of the advisory board of Mines and Money London. She is a professional gemmologist, and holds an MBA and MA in International Economics, from SDA Bocconi and China Europe International Business School.

Richard Stevens

Richard is an experienced fixed interest fund manager, focused on the bond markets and the associated macroeconomic analysis. Richard has been a Fund Manager at Threadneedle Investments, Old Mutual Asset Managers, and Legal and General. Richard was also the head of Government Bonds at Foreign and Colonial. Richard has a Degree in Mathematics from Hull University



Richard Lockwood

Director of Arlington Group Asset Management and was previously senior resource fund manager at CQS Asset Management having merged his New City Investment Management group with CQS in 2007. Prior to that, he was a senior fund manager at Invesco. He has held fund management positions at City Merchants High Yield Trust, New City High Yield Fund and City Natural Resources High Yield Trust plc. Richard has extensive experience in the financial markets and has also sat on the board of a number of resources companies.

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