

EFG Completes Oversubscribed First Close On Egypt Education Fund With \$119 Million

EFG Hermes, a leading financial services corporation in frontier emerging markets (FEM), via its private equity arm, has announced the first close of the DIFC-based fund with total commitments of \$119 million which above the \$ 50-100 million initially targeted.

The \$150 million investment fund is part of a \$300 million education platform built in exclusive partnership with Dubai-based GEMS Education, one of the world's oldest and largest K-12 private education providers to be focused on Egypt's K-12 sector.

The oversubscribed capital was raised in just over six months and has seen strong interest from a diverse group of international investors, including high-net-worth individuals and institutional investors from Egypt, the GCC, and Southeast Asia, as EFG Herms said in a statement.

The second close is expected to be completed in 2019, with the goal of raising an additional \$30 million in capital. The Firm already is in talks with several global financial institutions expressing interest in subscribing to the remaining ticket.

The fund targets to deliver IRRs exceeding 25% for investors and to deploy, alongside GEMS, \$300 million over the coming three years to develop a portfolio of 30 schools with a total capacity in excess of 40,000 students.

“Our success in raising the substantial equity capital in a relatively short amount of time demonstrates our ability to create innovative private equity products that cater to today's investor demands. The education sector in Egypt is in dire need of major investments, and together with our best-in-class school operator, GEMS, we expect to make a strong impact in the industry and deliver attractive returns to our investors” said Karim Moussa, Head of Asset Management and Private Equity at EFG Hermes.

“We continue to work closely with GEMS to build Egypt's largest institutional education service provider and to create a meaningful impact on the schools we operate” commented Mohamed Khalifa, the Fund manager at EFG Hermes.

“Our investment targets are quite ambitious, and we are currently pursuing multiple investment opportunities across the sector with an investment pipeline comprising over 20 schools.”

In May 2018, the platform completed its first investment in Egypt, acquiring four national and British schools in Cairo's suburbs from Talaat Moustafa Group in a transaction worth EGP 1 billion (\$58 million) and warehousing the assets on the Firm's balance sheet.

Now the asset value has been returned to the Firm, in the coming weeks, EFG Hermes will

funnel the acquired portfolio back to the platform which will be 50/50 owned by the Fund and GEMS”.

Continuing to capitalize on its strong balance sheet, the Board of Directors of EFG Hermes has agreed to seed \$15 million to the fund as part of its strategy to support its growing private equity business.

<https://www.forbesmiddleeast.com/efg-completes-oversubscribed-first-close-on-egypt-education-fund-with-119-million>