The Investcorp Strategic Partnership Group newsletter

June 2011

THE REVIEW

Moody goes for $730m

Exit at double initial investment

PLUS:

Hedge funds – going for Alpha

Finger on the pulse – Tiryaki Agro acquired

Nasser Saidi on corporate governance

Feature focus – investing in family businesses

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Support reinforcing our commitment

I have just returned from a seven-week trip to the Gulf, during which I spent considerable time in Bahrain. I also traveled to Jeddah, Riyadh, East Province, Dubai, Abu Dhabi, Ras Al Khaima, Kuwait and Muscat. I was able to see most of our clients and a large number of our strategic partners and shareholders.

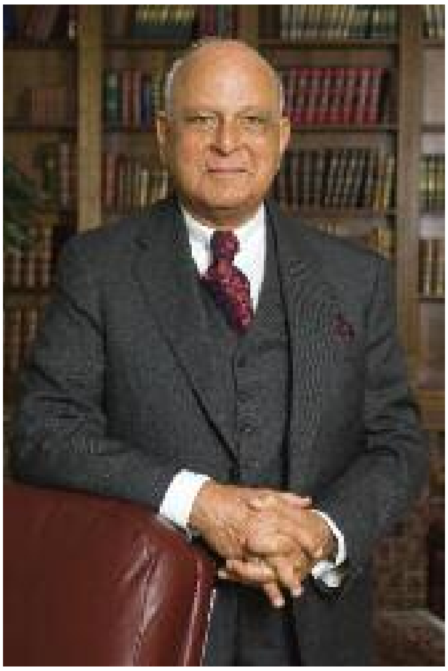
I am deeply gratified to report that all those I met were unanimous and overwhelming in their praise and compliments for Investcorp and its professional excellence and success. Many generous remarks were made about the high reputation of the Investcorp brand and the trust and respect in which it is held.

This expression of support and confidence in Investcorp appears to be driven by two main considerations.

The first is the consistent dedication and performance of Investcorp over the past 30 years. Ever since its inception, it has delivered what it promised – and more.

The second is the widespread admiration for Investcorp's effective turn-around after the catastrophic world financial crisis two years ago. No financial institution emerged unscathed and Investcorp was no exception. But we were quickly able to recover and return to respectable profitability and tangible results.

During my individual meetings with Investcorp clients and shareholders, I explained that during the crisis we were able to reduce our operating expenses by 25 per cent while expanding our senior management talent and skills. Today we have more



than $12 billion of assets under management. In a clear demonstration of our clients' confidence, Investcorp has been able to raise $7.4 billion since the start of the financial crisis in 2008. Our hedge fund business has total assets under management of $4 billion, one-third of which is from Gulf clients and two-thirds from American and European institutions.

I would like to assure you that your confidence and commitment as valued strategic partners are the foundation of Investcorp's success and the distinguished market position we enjoy today. We greatly appreciate your support, which in turn makes us still more committed to serving your interests.

Nemir A. Kirdar
Executive Chairman & CEO

SPG members

Yusef Rabah Abu Khadra .. United Kingdom
Abdullah Mohamed Alireza * ... Saudi Arabia
Farouk Yousuf Khalil Almoayyed * .. Bahrain
Mohammed Bin Mafoodh Bin
Saad Al Ardhi * .... Oman
Abdul-Rahman Salim Al-Ateeqi * .... Kuwait
Bassem Yousef Attieh .... Saudi Arabia
Samaual Bakhsh .... Saudi Arabia
Mustafa Jassim Boodai * .... Kuwait
Hussain Ibrahim Al-Fardan * .... Qatar
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Al Fraih .... Saudi Arabia
Majid Saif Al Ghurair * .... UAE
Elias N. Hallak .... Lebanon
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Al Mansoori .... UAE
Jalal Mohamed Yusuf Jalal .... Bahrain
Abdul Rahman Ali Al Jeraisy ... Saudi Arabia
Khaled Ahmed Al Juffali .... Saudi Arabia
Abedlelah M. Kaki .... Saudi Arabia
Saleh Husein Kaki................ Saudi Arabia
Abdul Aziz Jassim Kanoo * ... Saudi Arabia
Khalid M. Kanoo.......................... Bahrain
Issa Ghanim Al Kawari .... Qatar
Mohamed bin Isa Al-Khalifa *........ Bahrain
Hamza Al Kholi.................... Saudi Arabia
Nemir A. Kirdar * .... Bahrain
Juma Al Majid................................... UAE
Abdullah Mohammed Mazrui *.......... UAE
Abdulla Ahmed Al Moosa .... UAE
Anwar A. Al Mulla.......................... Kuwait
Khalaf Bin Ahmed Khalaf Al Otaiba.... UAE
Nasser I. Al Rashid .... Saudi Arabia
Marwan Abdulla Al Rostamani .... UAE
Mubarak Abdulla Mubarak
Al Sabah .... Kuwait
Nasser Mohammed
Al Saleh............................... Saudi Arabia
Sulaiman Abdul Rahman
Al Saleh............................... Saudi Arabia
Ghassan I. Shaker.......................... Oman
Abdulrahman Hassan
Abbas Sharbatly................... Saudi Arabia
Mohammed Al Suleiman .... Saudi Arabia
Abdulaziz Al Sulaiman .... Saudi Arabia
Tariq Ali Al Tamimi .... Saudi Arabia
Jassim Bin Abdulaziz Al Thani * .... Qatar
Abdul Rahman Ali Al-Turki * .... Saudi Arabia
Khalid Rashid Al Zayani *............. Bahrain
Hatim Sharif Zu'bi .... Bahrain

** member of the Board of Directors*

Board reinforced by Sheikh Mohamed

Investcorp's board was strengthened during the past year by the appointment of His Excellency Sheikh Mohamed Bin Isa Alkhalifa as a director.

Sheikh Mohamed is the chief executive officer of Bahrain's Social Insurance Organization and of the country's Economic Development Board. He is also chairman of the Securities and Investment Company and of Oasis Capital Bank, and a board member of other major organizations, including Batelco (Bahrain Telecommunications), the Bank of Bahrain & Kuwait, and the Bahrain Stock Exchange.

He has been director of the Crown Prince's office, head of the court and deputy head of the Crown Prince's International Scholarship Program, and has been closely involved with the Crown Prince's liberalization plan for the telecommunications sector, and with labor market and economic reforms.

Taking a keen interest in motor sports, he was deputy board chairman of the Bahrain International Circuit and is a former vice president of the Bahrain Motor Federation.

He holds a bachelor's degree in economic theory from the American University, Washington DC, and a post-graduate diploma in business studies from the London School of Economics.

"We are honored that Sheikh Mohamed Bin Isa Alkhalifa has joined our board in his personal capacity," says Investcorp's executive chairman and CEO, Nemir A Kirdar. "A very highly respected figure in the international investments arena, he brings to the firm a wealth of experience and expertise."

Welcome to our new-style magazine

We are pleased to relaunch Investcorp's Strategic Partnership Group (SPG) newsletter as *The Review*. While Investcorp has always been in close and regular contact with its strategic partners, the newsletter allows us as a Firm to express our thoughts, ideas and views more broadly.

It is also an opportunity to bring you expert commentary from industry professionals outside Investcorp, giving you a valuable insight to their fields of practice. I hope that you will find this new-style magazine informative and interesting. It will be sent to you on a semi-annual basis.

As we approach the end of our 2011 financial year we have seen continuing volatile markets across the world. However, Investcorp has proved itself to be a solid institution with stable and strong performance. In the first half of the fiscal year we posted a $56.2 million profit, producing positive returns across all of our asset classes – Corporate Investment, Real Estate Investment and Hedge Funds. We distributed more than $400 million to our investors.

We are also actively creating new opportunities. In May, we started investing in distressed credit and corporate restructurings through our newly launched Special Opportunities Portfolio. This portfolio gives unique access to an asset class that is not readily available to private investors.

Its launch symbolizes Investcorp's commitment to value enhancement for our investors and the dynamism that allows us to combine our different lines of business and develop new types of investments.

Our successful fundraising over the past few months highlights the strength of Investcorp's reputation. We have raised high quality capital from institutional investors in the US and from private and institutional investors across the Gulf Cooperation Council region.

We are happy to see the portfolio of our Gulf Opportunity Fund I growing. This line of business, Gulf Growth Capital, has been creating synergies between us and our investors in the region. The Fund has so far invested in four companies and is getting ready to make a new investment.

As 2011 unfolds, revealing unprecedented events, we continue to be ready to meet the new challenges and to translate them into rewarding opportunities that will benefit all of our stakeholders.

Mohammed Al-Shroogi
President, Gulf Business

Transparency – an essential requirement

The imperative of implementing corporate governance in the Middle East and North Africa – by Dr Nasser Saidi, executive director, Hawkamah Institute for Corporate Governance

The global financial crisis has put corporate governance back on the policy agenda in the same way that the Asian crisis, the dotcom bubble and the demise of Enron and WorldCom prompted responses. Some 40 countries since the fall of Lehman Brothers have issued new or amended corporate governance codes and this trend is set to continue. International best practices on corporate governance are evolving.

We must understand what these emerging practices mean for the Middle East North Africa (MENA) region, what we can learn from them, what is relevant to our markets and economies and how the other emerging markets have responded.

Opportunities for regional markets

These are particularly timely questions as we are currently witnessing a significant global flow of capital from the developed markets to the emerging markets, driven by the quest for higher returns and the massive monetary stimulus – quantitative easing – that is threatening asset price bubbles.

Our region is overlooked by global investors, despite its natural resource wealth, positive demographics and promising growth prospects. This marginalization has much to do with a perceived lack of good corporate governance – we are not providing investors with the investor protection, the transparency and the disclosure and accountability that they require. Simply put, investors need transparent markets.

Anybody who has done any research on MENA companies will tell you that sometimes obtaining the most basic information about companies can be a daunting task. Contact details of investor relations officers – if they exist – are not readily available and companies holding regular analyst calls are almost unheard of.

Our region has been a significant capital exporter for decades but we have not been very good at accommodating inward capital flows or retaining and deploying our own capital resources for our economic growth and development. However, the Great Recession and Great Financial Crisis teach us that it is imperative we grow our own local currency financial markets to protect our banking and financial systems and economies: the same lesson that resulted from the Asian crisis.

> *"It is imperative we grow our own local currency financial markets to protect our banking and financial systems and economies"*

From crisis to recovery: corporate governance lessons

Studies from the Institute for Corporate Governance, Hawkamah, have indicated that there have been significant improvements in the region's corporate governance practices over the past few years. The issuance of corporate governance codes and guidelines in the region has undoubtedly been great factors. Last year, Bahrain became the latest Gulf Cooperation Council country to issue a corporate governance code, effective from 2011.

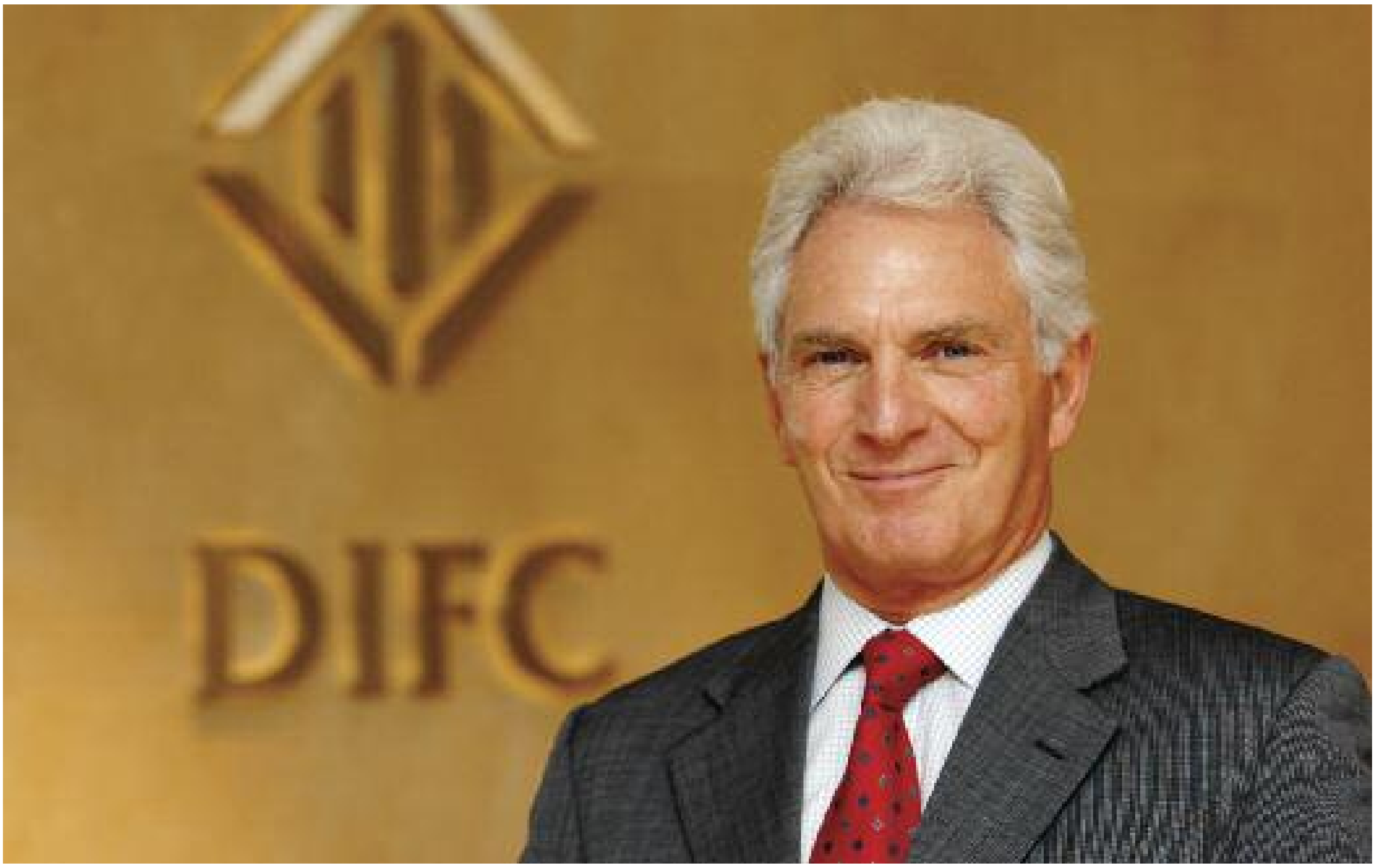
The regional codes were largely developed before the financial crisis. We need to refine existing codes and guidelines to incorporate the lessons learned from the crisis, specifically in the area of risk management. If there was one single lesson that all businesses and regulators could draw, it would be that they cannot afford to be complacent when it comes to managing risk.

The other major lesson is that corporate governance failures in individual entities can lead to systemic effects: financial failure with contagion effects and spillovers. We have witnessed that weak institutional structures and poor risk management can have potentially severe effects not only on individual banks but also on the system as a whole. Financial system vulnerability and stability hinge on managing corporate governance risk. Regulators and supervisors should address corporate governance risk as an intrinsic part of systemic risk.

Implementation is key

But now that most countries have issued governance codes, the real issue is the implementation of the codes. Hawkamah calls for regulators to set up corporate governance units to ensure proper implementation and compliance. We welcome the positive steps taken by the Saudi and Omani Capital Market Authorities to do just that, and we encourage, and are willing to offer technical assistance to, other regulators in the region to set-up corporate governance compliance units.

The scope of corporate governance improvements and reform should not be limited to publicly listed companies. Given the dominant financial intermediation role of banks in our region – representing more than 60 per cent of the financial structure in the MENA region – effective bank corporate governance is fundamental to establishing sound financial systems. This merits targeted supervisory guidance.



We also urge banks to incorporate corporate governance criteria into their investment and lending criteria in order to manage portfolio and credit risks more effectively, as called for by the Basel supervisory guidelines. In a market where most companies are non-listed, small to medium-sized and family-owned enterprises, banks as well as the private equity industry can play a central role in instilling a culture of good corporate governance in the region, which is vital for private sector development.

Corporate governance is equally important in the realm of state-owned enterprises (SOEs). By improving the process of decision-making and control by the state, good governance can improve the performance and competitiveness of SOEs. In many instances, better performing SOEs can have positive fiscal implications, insofar as government budgets are all too often called to rescue large SOEs. We have particularly seen this happen during the current financial crisis.

In formulating adequate responses to the issues I have been describing and be prepared to address future crises, much will be required from the region's policymakers and regulators.

Regulations can be very blunt instruments and therefore they need to be carefully formulated. In other words, regulators need to embrace good governance themselves – they need to have clear roles, mandates and lines of accountability; and be staffed with competent personnel. Above all, they need to be effective, transparent and predictable. Another important lesson of the Great Financial Crisis is that you cannot effectively regulate what you do not understand.

Setting the bar higher

As a region, we have taken significant steps to better corporate governance, which we can be proud of. However, global best practices have evolved and set the bar higher and we need to respond. Addressing transparency and disclosure and accountability issues in the GCC is a key to the full development of the region's capital markets and to restoring investor confidence. We are moving forward on our disclosure practices but reform efforts have lacked teeth and progress is too timid. Reform is imperative and urgent in order to help restore investor confidence in the aftermath of the international financial crisis.

> ***"By improving the process of decision-making and control by the state, good governance can improve the performance and competitiveness of SOEs"***

Dr Nasser Saidi is chief economist of the Dubai International Financial Centre Authority (DIFCA) and a board member of the Hawkamah Institute for Corporate Governance at the Dubai International Financial Centre (DIFC). He served as the data Protection Commissioner of the DIFC from January to August 2007.

Moody exits to Intertek for $730 million

A sale that brings in more than two times our initial investment highlights the success of Investcorp's business models

Sector: safety inspections
Sold: April 2011
www.moodyint.com

The UK-based worldwide technical services company Moody International has been sold by Investcorp for $730 million. The price represents an EBITDA multiple of 13.4x based on 2010 earnings.

"This successful exit – our second in less than six months – is further demonstration that our value enhancement model drives growth and profitability," says Investcorp's president of Gulf Business, Mohammed Al-Shroogi. "This is an excellent outcome for us and our clients. We are pleased to have supported Moody's management over the past four years, and we congratulate them on having grown the company so successfully."

Moody – a 100-year-old company operating in more than 60 countries that provides technical inspection and safety standards services principally to oil and gas companies – was bought by Investcorp in 2007 for $311 million. In 2010, it generated revenues of $476 million and a pre-tax profit of $54 million.

One of Britain's largest privately owned companies, it is a market leader in Asia and one of the top three providers in China and Japan.

Moody's services are used by engineering, procurement and construction companies, energy companies and component manufacturers involved in the construction and operation of energy facilities. It is the leading supplier of visual technical inspection services worldwide.

Its new owner is Intertek, a quality and safety systems company with more than 27,000 employees and a worldwide client base. The *Financial Times* noted, "Intertek has paid a full price for Moody."

"Moody will strengthen our industry services and systems certification capabilities globally," says Wolfhart Hauser, chief executive of Intertek, which is also headquartered in Britain. "We will be able to offer Intertek and Moody clients a range of highly complementary quality and safety services across the entire energy chain, covering assets, processes and products."

The sale was completed in April 2011.

Intertek will be Moody's third owner in seven years. It was bought by Close Brothers Private Equity in 2004 for $55 million.

SUCCESSFUL SALES

- Investcorp's planned break-up strategy for **Avecia**, acquired by the firm and Cinven in 1999, was concluded earlier this year with the sale of its OligoMedicines business to Nitto Denko, Japan's leading diversified materials manufacturer. Based in Milford, Massachussets, OligoMedicines focuses on the development and manufacture of DNA- and RNA-based medicines. Avecia is the market leader in contract manufacturing and related services for nucleic acid drugs, and with this acquisition, Nitto Denko aims to strengthen its business base in an industry with substantial growth potential.
- **Aero Products**, acquired by Investcorp in 2002, has been sold at an enterprise value of $70 million (7.75x EBITDA) to Coleman Inc., a marketer of outdoor products and a subsidiary of the Jarden Corporation, a leading provider of niche consumer goods. Aero, based in Wauconda, Illinois, manufactures and distributes a range of patented air-filled bedding and leisure merchandise.

Acquired – leaders in litigation services

Sector: litigation support services
Bought: September 2010
www.veritext.com

Litigation of all descriptions is a large and exceptionally resilient, recession-proof commercial sector, which made Veritext a natural choice for acquisition by Investcorp. Providing deposition and court reporting services to a 6,500-strong client-base comprising law firms, major companies, regulatory agencies and state and federal courts across the United States, it is a leader in a growing market currently valued at $3 billion.

Established by two entrepreneurs in 1997, its services play a key role in the litigation process; for example, by recording and converting witness testimonies into the written transcripts needed by lawyers to build their cases. Veritext has 30 offices in the country's largest legal markets, from New York City to Los Angeles and Chicago to New Orleans, and is one of only four companies with the size and scale to serve a national client base. Official witness depositions are used by both plaintiffs and defendants in almost all litigation proceedings in the United States.

Committed to creating the premier deposition firm in the industry, the founders built Veritext through the acquisition and consolidation of smaller firms, yielding double-digit organic growth year after year. The Veritext name is now synonymous with innovation, advanced technology, and personal attention.

Veritex aims to expand further its large corporate client base through lucrative partnership agreements, enlarge its geographic footprint by penetrating new segments and increase its capabilities in litigation areas in which greater complexity promises greater profitability.

Mohammed Al-Shroogi, Investcorp's Gulf Business president, says, "We have examined a variety of investment opportunities, looking for those with strong cash flow characteristics and significant value creation opportunities. Veritext was a perfect fit.

"Its management team has built a highly profitable business, expanding into new markets and offering proprietary technology in a burgeoning market. It has a large and diverse base of clients that are a source of significant repeat business. There are strong characteristics in Veritext's business and in its leadership team that position the company for accelerated growth in a recession-resistant area of professional services."

Profitable exit for AMI

Sector: building materials
Sold: September 2010
www.associatedmaterials.com

Investcorp's five-year ownership of Associated Materials Incorporated (AMI) came to an end with the sale in Q4 2010 of the Ohio-based company for $1.3 billion. The exit, which produced a capital gain for Investcorp and its co-investors, came four months after the successful sale of American Tire Distributors.

"This profitable exit is further evidence that Investcorp's value enhancement model creates growth and profitability," says Mohammed Al-Shroogi, president of Gulf Business at Investcorp. "AMI's position as the leading vertically integrated manufacturer and distributor of exterior residential building products in the United States and Canada has been reinforced.

"We have worked hand-in-hand with AMI's management team to develop the company's capabilities and sales volume to impressive levels. We believe this exit is well timed to serve the interests of our clients."

The buyer was Hellman & Friedman, a leading private equity investment firm.

Associated Materials, with 3,000 employees, produces and distributes residential building materials including vinyl windows, vinyl siding, aluminum trim coil, and aluminum and steel siding and accessories. It covers the United States and Canada.

eviivo joins the ITP family

Sector: hotel bookings
Bought: April 2011
www.eviivo.com

Our technology corporate investment arm – Investcorp Technology Partners (ITP) – has bought the majority holding in eviivo Limited, the UK's leading online reservation and property management system provider in the independent accommodation sector. The transaction is valued at approximately £30 million ($50 million).

Founded in 2004 and with headquarters in London, eviivo connects small and medium-sized accommodation businesses – including Bed and Breakfast guest houses, inns, farmhouses, cottages, restaurants with rooms, and small boutique hotels – with online distribution channels. Its frontdesk® software handles offline and online bookings in real time. The company, which has had a compound annual growth rate of more than 60 per cent in the past few years, partners currently more than 4,400 independent businesses in the UK, many of them award-winners in their category.

"eviivo has established itself as market leader for online booking solutions to the UK's independent accommodation sector," says Ian Griffin, the company's executive chairman. "Together with Investcorp, we will build on these accomplishments and develop further services to ensure that our accommodation partners continue to enjoy best-in-class solutions to increase both yield and occupancy in this exciting sector."

ITP's Dirk Schmücking and Gilbert Kamieniecky will join eviivo's board.

"We see substantial growth opportunities for eviivo, which is why we are backing a strong team offering a unique product in the hotel market," says Schmücking. "eviivo is part of the continuing trend towards booking accommodation through the internet, and is well positioned to support its customers as they take advantage of online business opportunities."

FleetMatics set to expand

Sector: fleet management
Bought: July 2008
www.fleetmatics.com

Investcorp has made two additional investments in FleetMatics, one of the fastest-growing software providers of GPS-based vehicle fleet management systems to small and medium-size businesses, and a market leader in fleet management in the US, UK and Ireland.

A direct investment of $45 million was made in November 2010, increasing Investcorp's equity stake and providing capital for potential future add-on investments. Earlier, our technology fund invested $7 million to enable FleetMatics to acquire SageQuest, a smaller competitor whose subscriber base and focus on the specialized communications and utility enterprise market was complementary.

An Investcorp investment since 2008, FleetMatics provides live web-based GPS vehicle tracking services that enable business owners to track and manage vehicles, reduce operating costs, increase productivity and improve customer service.

"FleetMatics' management team has a proven record of providing exceptional results while driving down the cost of customer acquisition, hardware development services and support," says Investcorp's president of Gulf Business, Mohammed Al-Shroogi. "Our new investment in the company is a testament to these strong characteristics. We look forward to working with FleetMatics' management over the next stage of its growth and to creating value for our investors."

CSIdentity takes over IdentityTruth

Sector: identity theft protection
Bought: January 2011
www.csidentity.com
www.identitytruth.com

CSIdentity, in which Investcorp Technology Partners (ITP) took a $35 million shareholding in January 2011, bought IdentityTruth, a privately held company in the same industry sector, identity theft protection and fraud detection, in April 2011.

The acquisition was funded by retained profits and a contribution from ITP. 2010 studies show that more than 11 million Americans have had their identities stolen and 88 per cent of global organizations have suffered a data breach. US losses from identity theft and fraud are estimated to be more than $54 billion.

ITP co-head Alex Guira says, "IdentityTruth represents a logical extension of CSIdentity's product portfolio and will make a significant contribution to the high growth trajectory CSIdentity

Agro firm is first Turkish acquisition

Sector: agricultural products
Bought: September 2010
www.tiryaki.net

The Gulf Opportunity Fund I has made its first investment in Turkey – a $50 million minority holding in agricultural products company Tiryaki Agro.

Tiryaki Agro was founded as a small family enterprise almost half a century ago in south-eastern Turkey. Two generations later, it is one of the country's most successful and fastest-growing businesses with sales operations in the United States, Europe, Asia, the Middle East and Africa.

Its business is sourcing, processing, storing and trading conventional and organic grains (wheat, corn and barley), pulses (lentils, chickpeas, peas, beans, rice and bulgur), oil seeds (sunflower, sesame, kanola and soybean), feed stuffs and nuts (pistachios, almonds, walnuts and peanuts). It is now the leading trader and supply chain manager of agro products in Turkey, sourcing products from 20 countries and exporting to 60. With a staff of 450 and headquarters in Istanbul, it serves a broad customer base including food processors, retailers, government agencies and other agro wholesalers.

The agro industry is extremely resilient, with development driven by population and income growth, as well as changes in dietary preferences. The fragmented nature of trading and supply chain management creates strong opportunities for integrated companies such as Tiryaki Agro that have distinct competitive advantages in sourcing, logistics and processing.

"Our position today is a result of our sustained investment in developing our asset base, our sourcing, and the quality of our service."

"This is our first investment in Turkey, and is further testament to Investcorp's ability to find high quality opportunities across different regions," says Mohammed Al Shroogi, Investcorp's president, Gulf Business. "By demonstrating our clear alignment of interest we are able to develop strong partnerships with leading family business names. This perfectly showcases how the Gulf Opportunity Fund I can support the growth and reinforce the competitiveness of such companies. We see many future opportunities."

Tiryaki Agro chairman Ahmet Tiryakioğlu adds, "For generations, my family has focused on developing the company to become the leader in its sector. Our position today is a result of our sustained investment in developing our asset base, our sourcing, and the quality of our service.

"We had different alternatives to consider for our next phase. We chose to work with Investcorp, as we believe it brings unique understanding and strong capabilities that will help to accelerate our growth."

The capital will be used chiefly to invest in new assets to strengthen Tiryaki Agro's growth and support its expansion into different markets.

The transaction is the fourth investment by Investcorp's Gulf Opportunity Fund I, our $1 billion private equity fund for the MENA region and Turkey.

New Arena for Redington Gulf

A move into Turkey's IT product distribution sector has been made by one of our Gulf Opportunity Fund I portfolio companies, Redington Gulf.

It has bought Arena, Turkey's second-largest distributor of information technology products. The company employs 230 people, and distributes brands such as HP, Acer, Microsoft, Seagate and IBM to more than 8,000 dealers and retailers in Turkey.

Arena was established in 1991, and has been listed on the Istanbul stock exchange since 2000.

Award-winning funds going for Alpha

2010 was a strong year for Investcorp's hedge fund business. Despite a challenging market environment for most of the period, all of our product lines – single managers, customized accounts and fund-of-hedge-funds – did well as continued inflows of new assets and innovative research propelled business growth.

Concerns about sovereign risk, fears of a double-dip recession and a high level of correlations across asset classes led managers to position their portfolios conservatively. As these issues began to fade towards the end of the year, performance recovered strongly, with our products finishing the year solidly positive in absolute terms and within the top quartile of their peer groups over time.

Top funds

The 2010 performance of two of our single manager funds is especially noteworthy. The Investcorp Silverback Arbitrage Fund, which focuses on convertible arbitrage, was up 11.2 per cent on the back of a 142.3 per cent return in 2009, making it the best performing fund in the strategy since its inception in 2006. Our Interlachen Multi-Strategy Fund rose by 12.2 per cent following a 45.2 per cent return in 2009, putting it among the best performing multi-strategy funds during that period.

We raised more than $1 billion of new client assets for the second consecutive year, achieving notable success in the US, where our advanced portfolio construction methodologies and quantitative research was widely recognized. They attracted some of the largest and most sophisticated pension plans and insurance companies. We had strong inflows internationally as our relationships with leading institutional investors continued to grow. Our model of working with institutions as strategic partners, offering our extensive range of services to help them better manage their portfolios, continues to be well received. The overall assets of the hedge fund business stand at almost $5 billion, including close to $1 billion from Investcorp.

In line with the trends in the hedge fund industry, the mix of our businesses and clients has changed significantly in recent years. Five years ago, almost all of our assets were in fund-of-hedge-funds. Investcorp's single manager business now accounts for more than a third of our overall assets and our customized account business is nearly half. Two-thirds of our client assets are now from the US – almost all of them were international in 2006.

Looking ahead

We are encouraged by the prospects for hedge funds. The economic and financial market environment continues to normalize. Governments and central banks have shown a clear willingness to prevent economic malaise and prevent systemic risk in financial markets. While some of the actions of governments and central banks are likely to have long-term repercussions, they have provided a platform for growth in the near term.

The current environment is favorable, but we continue to be wary of the risk of a double-dip recession and consequently have a prudent allocation to "tail risk protection" strategies. We maintain our edge by developing our investment processes, refining methodologies and investing in research. As a result, we remain confident that our portfolios are well positioned to take advantage of compelling opportunities in the years ahead.

Getting to Alpha

A pivotal part of the work of our hedge fund team is research into all aspects of hedge fund investing, the centerpiece of which is our Alpha Project, which was launched in 2003, to strengthen our

Performance of Single Manager Funds

Single manager	2010 (%)	Since inception (annualized %)	Since inception quartile ranking	Inception date
Silverback	11.2	22.9	Top	Nov 06
Cura	0.1	7.2	Top	Dec 04
Interlachen	12.2	9.9	Top	Apr 06
Stoneworks	(9.1)	3.7	Second	Aug 07
White Eagle	1.6	1.3	Second	Jun 08

manager selection and strategy allocation process, so achieving returns above the market average.

The project's objective is not only to build pure indices of hedge fund returns, but also better to understand the drivers behind hedge fund returns and isolate manager alpha – returns above the market average. This work strengthens our asset allocation by helping to determine factors that drive periods of outperformance. The four areas of focus are to:

- Identify underlying trades of each fund strategy
- Use security-level data to create time series of returns by hedge fund strategies and sub-strategies
- Break down each strategy into components of trade
- Engineer the trades to create return series of indices, usually by passive (baseline comparison or buy/hold) and active strategies (alpha generation or rule based)

We published six white papers describing the Alpha Project in 2010 and the five hedge fund strategies we have implemented as part of it: convertible arbitrage, merger arbitrage, equity market neutral, distressed, and fixed income relative value.

The papers demonstrate the benefits of the Alpha approach and show that our implementations do an excellent job of capturing the main returns for each of the hedge fund strategies. Two better-known approaches to capturing the common strategy returns are investable multi-manager indexes and hedge fund strategy replication using market factors. Our Alpha methodology finds that while these approaches capture substantial parts of the strategy risks, they also miss substantial parts of the strategy return. Based on this, our systematic trade-based implementations could be attractive investment vehicles.

Other research publications included a paper (co-authored by Investcorp) about the benefits of investing in hedge funds using separate accounts, which enables better control of assets and improved risk management, and one in which we showed that emerging hedge funds have clearly outperformed large, established hedge funds.

We are working on several other exciting projects, and expect 2011 will be another productive year for our research. If you would like copies of the white papers, please ask.

Single manager platform

Our partnership – in December 2010 – with Ballast Capital Management (BCM) further diversifies our platform, where we offer products across a wide range of hedge fund strategies – fixed income relative value, convertible arbitrage, global multi-strategy, global macro, event driven, and now long/short equity. BCM – based in New York City – is an experienced long-short equity team with a successful 40-year track record, and our partnership with it offers Gulf investors a new opportunity.

Awards

Investcorp won two accolades – *Outstanding Industry Contribution* and *Best Hedge Fund Manager* – at the *Hedge Funds World Middle East Awards* 2011.

The Special Merit for outstanding industry contribution recognized Investcorp's role in the development of the Middle East hedge fund industry, which we pioneered in 1996. The judges cited Investcorp's strong hedge funds performance over the past year, its long-standing commitment to the regional hedge funds industry and its institutional investors, and noted the firm's commitment to research which de-mystifies hedge fund investment strategies for investors.

Silverback Asset Management was named *Best Hedge Fund Manager*. Through this single manager program, Investcorp provides its clients with access to talented hedge fund managers who specialize in a specific investment strategy and are supported by ongoing monitoring as well as operational oversight from Investcorp.

The *Hedge Funds World Middle East Awards* ceremony – held in Dubai in March – recognizes and celebrates the leaders, innovators and pioneers in the hedge fund industry.

WINNER
HEDGE FUNDS WORLD
AWARDS
MIDDLE EAST 2011

Flurry of purchases marks start of year

From New Jersey to Washington State and from Texas to Florida, our US real estate team has secured three major acquisitions in robust markets, negotiated a trio of profitable exits and taken the lead in recapitalizing a premier Miami hotel

A trio of acquisitions

Our real estate team began 2011 with a trio of major acquisitions. The total value of the purchases – in Florida, New Jersey and Texas – was approximately $105 million, and all three were completed within 30 days.

"We're definitely seeing more opportunities to buy assets with the characteristics we want – assets that generate reliable cash flow, offer interesting upsides, and provide the stability that comes with being situated in robust US sub-markets and regions," says Herb Myers, Investcorp managing director. "We're well-positioned to execute transactions, so we'll act decisively when we find these kinds of opportunities."

The properties have stable anchor tenants and are in areas with good long-term demographic trends – the fundamentals on which Investcorp focuses.

Coral Palm Plaza, a joint venture with Lincoln Equities, is a 135,672 square foot shopping center in Coral Springs, a town with a population of 127,000 some 20 miles north of Fort Lauderdale on Florida's east coast. It is a well-established, stable and relatively young and affluent community. Built in 1986 and renovated in 2000, Coral Palm Plaza is located in the town's high traffic retail and commercial sector and is currently 94 per cent leased to 22 diversified retailers.

The 42-acre **Princeton Forrestal Village** development in Princeton, New Jersey, was built in 1987 and re-modeled in 2007 with improvements that have attracted new businesses. It comprises offices, a 294-room hotel and conference center, restaurants, a food court, a fitness center and spa/salon, and a newly developed daycare center. Princeton, half-way between New York City and Philadelphia, is the home of one of the USA's eight Ivy League universities, has retained a strong demographic profile, and suffered relatively little impact from the last economic downturn.

Princeton Forrestal Village

The purchase, with Global Fund Investments, of **Shops at Tech Ridge** brings the number of Investcorp-owned shopping centers in Texas to 24. Built in 2003 and on the main north-south route through Austin, the 332,845 square foot retail center is 84 per cent leased to a variety of tenants, most of them national chains. Austin has proved resilient during the recent recession as a result of government, technology and education employers in the area.

Disposals

A $100 million first mortgage loan backed by the building that is the Washington, DC, headquarters of the US Coast Guard has been sold on the back of renewed investor demand for commercial real estate.

Investcorp Real Estate Credit Fund (IRECF) sold the mortgage, due in 2014, to Talos Capital Limited for $89 million, 15 months after it was bought for $76 million, at a steep discount to its par value of $100 million. The sale generated strong interest among investors attracted by the standing of the tenant and demand for real estate in Washington.

"We saw an opportunity to sell this mortgage at a strong profit, given investors' renewed interest in commercial real estate loans and the dearth of quality assets changing hands these days," says Jon Dracos, head of Investcorp's Real Estate business. "Active portfolio management means that we are always looking for opportunities to meet our investment objectives."

The disposal also helped us to resolve uncertainty surrounding the Coast Guard's intention to renew its lease. The Department of Homeland Security, within

W South Beach Hotel and Residences

"We saw an opportunity to sell this mortgage at a strong profit, given investors' renewed interest in commercial real estate loans and the dearth of quality assets changing hands these days."

which the Coast Guard resides, has said that it might consolidate offices onto a new campus. We took the opportunity to exit at a profit before having to invest in the improvements needed to attract new tenants.

Investcorp launched the closed-end IRECF in 2008 to buy performing commercial real estate debt, including mortgages; subordinated debt, or so-called "B-notes"; and senior mezzanine positions, at a discount. The fund typically looks to hold debt investments to maturity, but it monitors opportunities to sell assets ahead of term when market conditions offer a profit. IRECF also holds debt backed by other high quality office properties, hotels and other real estate assets.

The Coast Guard HQ sale was one of three in Q4 of 2010 that generated combined proceeds of more than $610 million. Investcorp's stake in the Bravern Office Commons office development in Bellevue, Washington State, was sold for $410 million, and its interest in the two Maritime Place office buildings in Washington, DC, was sold for $119 million.

"These were all profitable exits, even though, in the case of Maritime Plaza and The Bravern, the investments were made in 2005 and 2007 respectively, when the market was at its peak," says Herb Myers. "This is a result both of our selection of high quality properties and active management during ownership."

Investcorp retains its stake in the Bravern's two residential towers and the 305,000 square foot luxury retail space that include brands such as Jimmy Choo, Hermes and Louis Vuitton.

W South Beach recapitalized

The recapitalization of a five-star, 20-storey condominium hotel on a premier oceanfront site in Miami, Florida, presented an excellent opportunity to participate in mezzanine loan interests.

W South Beach Hotel and Residences is a new, world-class resort asset at the north end of South Beach, a Miami district renowned for its beaches, luxury hotels, fashionable boutiques, restaurants and art galleries. It attracts people in the fashion and media industries as well as wealthy vacationers from other part of Florida, the Northeast United States, Latin America and Europe.

With relatively few comparable luxury condominium hotel projects, W South Beach stood out as an exceptional investment prospect. It is the latest property within its competitive market; the primary for-sale competition comprises only three projects; and no further oceanfront building is expected in the area. W South Beach will therefore remain a landmark property for several years.

The hotel has 419 condominium units, all of which have unobstructed ocean views and balconies, and its own 300-foot beach. Managed by Starwood Hotels and Resorts, the now-completed 505,000 square foot building is of the highest construction and design quality.

Our investment in the site began in 2004 when, along with two partners, we bought the land on which, at the time, stood a Holiday Inn hotel.

Investor's real estate team has negotiated a reduction of approximately $162 million in the overall third-party debt, with provision for three extra years to complete the sale of the remaining condominium units and the hotel. Investcorp is providing 65 per cent of the equity required to complete the recapitalization.

The projected proceeds from the investment are expected to come from a combination of condominium sale revenues, cash flow from the hotel operation and income from the potential sale of the property. Placement has now been completed.

Scholars gain hands-on experience

Thirteen students from universities and other academic institutions in Bahrain, Britain and the United States spent six weeks at our head office in Manama for our 2010 summer training program.

Department heads led sessions covering our business, and administration/human resources manager, Mufeed Rajab, gave the students an extensive overview of the banking industry. But it was not all lectures: hands-on experience was gained from time spent helping with real work.

"It was a very valuable learning experience for the students," says Rajab. "They discovered a great deal about the day-to-day operations of companies such as ours – something they might not get at university. For the young people from Britain and the United States, it was also an opportunity to experience many aspects of life in the Gulf region."

Students on the summer program also get the opportunity to visit Investcorp's offices in New York and London.

The universities and institutions represented on the 2010 program included Young Arab Leaders, Crown Prince International Scholars and the University of Bahrain; Warwick, Cambridge and Durham universities in the UK; and Southern California in the United States.

Bahrain's national library (source: bhguide.com)

Cultural Centre contribution praised

Investcorp's contribution to the construction of the Shaikh Isa Cultural Centre and National Library in Manama has been honored with the presentation of a commemorative plaque at a ceremony hosted by the Minister of Justice and Islamic Affairs, His Excellency Shaikh Khalid bin Ali Al Khalifa.

The center, built as a tribute to the late Amir, His Highness Shaikh Isa bin Salman Al Khalifa, is the largest of its kind in the GCC. Designed by Egyptian architect Omar Al-Farouk, it stands next to the Grand Mosque in Juffair. His Majesty King Hamad laid the foundation stone for the BHD20 million ($53 million) project in 2001.

Affiliated to the Royal Court, the center houses four large reading halls with Bluetooth connectivity; a state-of-the-art international library; Bahrain's national library; and publications and manuscripts relating to Bahraini culture and Arab and Islamic civilization. The library has a collection of more than 75,000 books, which will eventually grow to 250,000. It will also have booths providing instant translation services in 14 languages.

The center hosts cultural and scientific activities, exhibitions, conferences and forums, one of its functions being to promote dialog between cultures and civilizations, as well as encouraging intellectual creativity.

Support for Bahraini youth

Prince Salman bin Hamad Al Khalifa congratulated graduates of the Crown Prince's International Scholarship Program (CPISP) at a recognition ceremony held at Riffa Palace in Bahrain. Investcorp has been a platinum sponsor of the program since 2006.

The prince applauded the graduates for their achievements and expressed pride in the accomplishments of the program, which has funded higher education studies for more than 100 students since it began in 1999.

The ceremony included an address by Investcorp's president of Gulf Business, Mohammed Al-Shroogi, who thanked the prince for supporting Bahrain's youth and giving them the opportunity to improve their education and achieve their goals.

The program aims to nurture the minds of future leaders by giving Bahrain's most gifted young people from all walks of life the opportunity to study at the world's finest universities, and providing the backing they need on their academic journeys.

CPISP students have represented Bahrain on field trips and summer projects around the world, including France, South Africa, Australia, Syria and Borneo. They are encouraged to share these experiences with other students, so adding to the program's combined knowledge base.

Workshop aids governance

A workshop covering corporate governance and board effectiveness topics has been hosted in Bahrain by Investcorp.

Senior directors from the region's leading corporates and institutions – including Saudi Aramco, Mumtalakat, Dubai Holding and The Arab Thought Foundation – took part in the seminar, which was organized by the GCC Board of Directors Institute (BDI).

Held at Bahrain's Ritz-Carlton hotel, it was the eighth in a series led by the BDI, and the second hosted by Investcorp.

Partnering with leading family businesses

Investcorp's Gulf Growth Capital (GGC) line of business is now in its fourth year of operation, having been established in late 2007 with a mandate to invest opportunistically in the wider Middle East and North Africa (MENA) region. The business line manages the Investcorp Gulf Growth Capital I fund, a growth capital investment fund of approximately $1 billion.

When establishing GGC, Investcorp combined its investment track record of 90 deals worth more than $30 billion with its unrivalled experience and understanding of operating in the Gulf/MENA region in order to create a unique investment opportunity.

Led by James Tanner, who has more than 28 years of global investments experience, the vastly skilled and experienced team is made up of 15 professionals, all of whom are based in Bahrain.

GGC's strength lies in its ability to work with leading regional family businesses to support their growth and reinforce their competitiveness. The economic transformation that has taken place in the MENA region over the course of the past decade has given rise to higher-value, larger-scale businesses that require complex and sophisticated structures and management capabilities.

This is where Investcorp's value enhancement model comes into play. By enhancing internal initiatives, such as strengthening information systems and capital structures, and driving operational improvements, combined with external measures, such as supporting strategic acquisitions, Investcorp can bridge local market opportunities with global expertise and help create leading-edge business enterprises in the region.

Over the past four years, GGC has invested in four family-owned companies across the region. The first was **Redington Gulf**, the leading distributor of IT and telecommunications products in the Middle East and Africa, which is headquartered in Dubai. The second was **L'azurde**, one of the world's largest gold jewelry manufacturers that has its headquarters in Riyadh, and third was **Gulf Cryo**, the Middle East's leading industrial gases manufacturer, which is based in Kuwait. The most recent acquisition was in **Tiryaki Agro**, Turkey's leading agro trader and supply chain manager.

The GGC team works closely with the four portfolio companies offering them support at different levels and all are doing well.

While working closely with its partners in Placement and Relationship Management and the firm's vast network of more than 1,300 investors across the region, the GGC team is actively assessing opportunities to partner with other companies and families across the region. The goal of this deal sourcing activity is to identify good businesses with strong market positions and good management which, when combined with the Fund's growth capital and the team's value enhancement initiatives, can create an outstanding business.

Singer Elissa, the face of L'azure

New opportunity from distressed credit

The new Special Opportunities Portfolio, which focuses on investments in distressed credit and corporate restructurings, has been launched

Previous experience has shown that, in a recession, some companies build up too much debt – known as distressed credit. This can be bought and when companies are financially restructured, the investors in distressed credit can become equity owners of the company. As the company subsequently recovers, the value of the equity rises. When the economic cycle returns to growth, the equity can be exited at a substantial gain.

We have partnered with specialist managers Monarch Alternative Capital and Strategic Value Partners to investigate investment positions in specific companies that, although affected by distressed capital, have strong franchises, attractive assets and good growth potential. Each is going through or has completed financial and operational restructuring.

Following this, the majority owners will be senior bond and bank debt holders and the companies' debt will be minimal, which limits downside risk.

Each company that we have examined has also been validated by our teams in Hedge Funds, Corporate Investment and Real Estate Investment. Extensive due diligence has been carried out.

Of the many companies considered for the new portfolio, three have so far been judged to have the right characteristics:

- **Delphi Automotive** – one of the largest auto parts suppliers in the world. Until 1999, it was part of General Motors. It emerged from Chapter 11 bankruptcy in 2009, having eliminated nearly all its liabilities and significantly reduced its costs.
- **Tribune** – a US-based media company that owns the CW network, 14 television stations, newspapers such as the LA Times and Chicago Tribune and has minority investments in other media. After a highly leveraged buyout in 2007, it entered Chapter 11 bankruptcy in 2008. The portfolio has acquired a portion of Tribune's senior debt at a discount of 68 per cent against the 2007 valuation, which is believed to be considerably less than the worth of the company's assets. These also include two very attractive commercial buildings. Its minority investments may also prove to be of significant value.

- **Highstreet Real Estate** – the company that owns the majority of the leased stores of Karstadt, Germany's leading department store group. Karstadt filed for bankruptcy in 2009 and was bought for a minimal sum. The portfolio has acquired senior debt and may buy some mezzanine debt in Highstreet. The portfolio will benefit from debt refinancing of the operating company and any asset sales.

Mohammed Al Shroogi, president of Investcorp's Gulf Business, says, "Investcorp is uniquely positioned to make this type of investment. We have created this new opportunity based on our 15 years' experience in identifying and successfully investing in every stage of the economic cycle."

Deepak Gurnani, Investcorp's head of Hedge Funds, adds, "These investments are not readily accessible directly or indirectly, as they are traded privately among professional investors. We are investing in discounted, under-followed attractive opportunities with a focus on the best opportunities among the best franchises in the world."


KARSTADT sports
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Illuminating hedge funds

Investcorp-hosted conferences in New York and Dubai provided exclusive platforms for hedge fund specialists and investors to share expert insights about today's markets and tomorrow's opportunities

De-mystifying hedge funds was the main theme discussed by 40 institutional investors and sector experts at the Investcorp Hedge Fund Forum in New York. The event's keynote speech was given by Professor Kenneth Rogoff – a Harvard professor of economics, co-author of the best-selling book *This Time Is Different: Eight Centuries of Financial Folly**, former chief economist of the International Monetary Fund, and a distinguished commentator on international finance, debt, and monetary issues.

The forum comprised panel discussions, which took the work of Investcorp's research team as their starting points. Our panel topics were:

- De-mystifying hedge funds: An analysis of trade and alpha
- Asset allocation in the new normal economy: Where do hedge funds fit?
- David and Goliath: Large funds versus emerging funds
- Investment opportunities and risks in the current environment
- Risk management: Have lessons been learned post-2008?

The event offered us an opportunity to showcase the theory underlying our Alpha Project and its ability to identify the return drivers of hedge fund investing strategies. It was the first time we introduced the project to an audience of investors and consultants.

Deepak Gurnani, head of Hedge Funds at Investcorp, said, "Investcorp's research has shown that the portfolios in the Alpha Project have regularly outperformed their comparable hedge fund indices in a simulation covering 1998-2009. The average hedge fund manager does not add sufficient alpha to justify their fees."

The members of Investcorp's Single Manager Platform also shared their views on market factors affecting their investment decisions and the outlook for their investing strategy.

**This Time Is Different: Eight Centuries of Financial Folly* by Kenneth S. Rogoff and Carmen M Reinhart (Princeton University Press)

Eminent figures attend Dubai conference

Our two-day Investcorp Hedge Funds Investor Conference in Dubai brought eminent figures from global finance together with Gulf-based clients to exchange views on the investment opportunities best suited to today's macro-economic conditions.

The firm's fund managers led panel discussions and gave presentations, while contributions from our partner companies included presentations by Strategic Value Partners – a global investment firm specializing in distressed investments – and the US insurer Allstate. John Paulson, of the New York-based hedge fund, Paulson & Co, made the keynote speech by live video.

The benefits of separately managed hedge fund accounts was one of the important themes discussed. Christopher Vogt of Allstate Investments presented results of joint Investcorp-Allstate research that shows how these accounts reduce operational risk significantly and offer greater control and transparency.

"Separately managed accounts have been a core element of Investcorp's risk management practices since 1998," says Deepak Gurnani, the firm's head of Hedge Funds and chief investment officer, who co-authored the research findings with Christopher Vogt. "We believe separately managed accounts offer the best way for many of our investors to tap into the benefits of hedge fund investing."

The conference looked at distressed debt investing. Investcorp currently sees an opportunity to benefit from investing in the debt and equity of companies that are re-structuring their operations and finances in the aftermath of the global economic recession.

"Distressed investment opportunities remained robust for multi-year periods following the past two recessions, and we foresee a similar pattern unfolding this time," says Gurnani. "Given the extent of corporate re-structuring taking place today in developed economies, this strategy has the potential to generate significant returns over the next three to four years."

A panel discussion on current investment opportunities included Victor Khosla of Strategic Value Partners, and our Single Managers, who account for approximately one third of the $5 billion in assets that Investcorp's hedge fund team manages.

"This conference offered a unique opportunity for Gulf-based investors to share in the knowledge and experience of our hedge funds investment team and our close partners in the global hedge fund community," says Mohammed Al-Shroogi, president of Investcorp's Gulf Business. "Now is an important time for investors to reflect on the market opportunities and challenges to which hedge funds are uniquely suited."

Founding partner Merritt returns

Michael Merritt
chief administrative officer
We are delighted to welcome back Michael Merritt, one of the company's founding partners. He first joined Investcorp in 1981 from Chase Manhattan Bank, where he had spent 13 years in various posts, the last of which was senior credit and marketing officer for the bank's Gulf division. Michael spent 15 years at Investcorp before leaving, as co-CEO, in 1996 to become a self-directed equities and financial futures trader.

He holds an MBA in finance and a BSc in management, both from New York University.

David Bruce
Hedge Funds, New York
David Bruce joins as a managing director and co-head of North America institutional sales. He will be responsible for raising assets across institutional channels. David has spent 12 years with Barclays Global Investor, where he was a managing director responsible for leading business development and strategic account client relationship teams in the American institutional business group. Before that, he was director of financial planning and analysis at California Federal Bank.

David holds an MBA in finance from the Walter A Haas School of Business, University of California, and a BA in finance from the College of Arts and Sciences, the University of the South, Sewanee, Tennessee.

The following have joined as principals:

Hani AlNabulsi
Placement & Relationship Management, Bahrain
Hani brings more than ten years' experience in the Dubai financial and banking industry, having worked with Morgan Stanley, Credit Suisse, Salomon Smith Barney and Merrill Lynch.

Hani holds a Bachelors of Business degree in

international business and marketing from Bowling Green State University, Ohio.

Dean Clinton
Hedge Funds, Bahrain
Dean Clinton joins us from Fortis Fund Solutions, where he was head of Europe operations. Before that, he worked with Warburg Dillon Read, Merrill Lynch, JP Morgan, John Burgess and

Associates and PricewaterhouseCoopers.

He is a chartered accountant, holding a Bachelors of Commerce (Hons) degree in financial accounting.

Loai Al-Arayedh
Placement & Relationship Management, Bahrain
Loai Al-Arayedh comes to Investcorp from Citibank, where he was a member of the Middle East banking team with responsibility for the Bahrain market. His responsibility included coverage for top tier clients across a number of sectors, including government entities, telecommunications and oil and gas. Loai was a member of Citibank Bahrain's credit committee. He has also been a credit analyst at the Central Bank of Bahrain.

He holds a BS in Finance and an MBA from St. Edwards University, Texas.

David Cvengros
Hedge Funds, New York
David Cvengros was head of product management and institutional sales at EquityRock Capital Management, which was founded by former fixed-income professionals from Barclays Global Investors (BGI). Before that, he spent ten years at BGI as a principal in the business development and client relationship group.

He holds an MBA in finance and accounting from the University of Chicago Graduate School of Business and a BA in economics and English from the University of Wisconsin.

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