

# THE REVIEW

## Investcorp acquires stake in global advisory firm AlixPartners

---

**Two new Board Members**

---

**Investcorp Credit Management**

---

**Sale of PRO Unlimited**

---

**Executive Chairman addresses ECSSR  
in Abu Dhabi**

---

**Real Estate**

\$400m of new assets in New York,  
California and Nevada

---

**Ageras**

Second technology investment

---

# Contents

**04**

Note from Co-Chief Executive Officers

**05**

Letter from Mohammed Alardhi

**06**

Two new Board Members

**07**

Investcorp Credit Management on board

**08**

Sale of PRO Unlimited

**09**

Investcorp completes acquisition of stake in AlixPartners

**10**

Arrowhead: new US investment



**11**

Ageras: majority stake in European online marketplace

## **Add-on acquisitions:**

**12**

NDT CCS to acquire majority stake in Oman's Hi-Tech Inspection Services

**13**

Wrench Completes Baker Acquisition

## **Portfolio Companies News:**

**13**

POC Award Winning Innovation

**14**

Ambitious Expansion Plans for Corneliani

**14**

Orka Holds Resellers' Event in Istanbul

**15**

Investcorp Sells Stake in Optiv Security





**16**

\$400 Million Investment in  
New York, California, and  
Nevada



**18**

Nut Tree Reaches \$400  
Million Asset Milestone

**19**

Mohammed Alardhi  
address at the ECSSR

**20**

UAE Ambassador to the US  
hosts Alardhi & El-Erian as  
Guests of Honour

**21**

Digital Marketing  
Symposium

**22**

Investcorp Student  
Innovation Prize

**23**

New Joiners



# New opportunities



It has been a busy start to 2017 for Investcorp, which has seen us maintain our steady flow of deals across all markets where we are active. We were also pleased to be able to distribute \$1.1 billion in the six months to 31 December, 2016, which represents a 123% increase on the same period in 2015.

Looking at the Gulf, our portfolio company NDT Corrosion Control Services ('NDT CCS') completed the acquisition of Hi-Tech Inspection Services, Oman's largest provider of industrial non-destructive testing and inspection services. This transaction creates the largest team of specialized non-destructive testing and inspection technicians in the GCC and will allow the new company to capitalize on the steady growth we see in the region's industrial sector.

Meanwhile, in Europe, our Technology team reached an agreement to acquire a majority stake in Ageras, a fast growing European online marketplace

matching SMEs and micro-businesses with professional services providers such as accountants and lawyers. In this increasingly digital world, we see Ageras as being a prime candidate for growth and we are eager to help the company expand across the continent.

The U.S. has been a particularly active market for Investcorp over the last few months, which is a reflection of our bullish outlook for the U.S. economy. On the Real Estate front, we recently invested in three multifamily housing properties in New York, California, and Nevada for a total purchase price of nearly \$400 million. This takes our total U.S. Real Estate investment in the last 18 months to \$1.2 billion. Elsewhere in the U.S., alongside two prominent pension funds, we invested in AlixPartners, a leading global financial and operational consulting firm. We are particularly excited by this deal because AlixPartners is led by very experienced team of senior Managing Directors, who work with the world's largest companies to help them

become more competitive through every stage of the business cycle.

While the economic and business landscape around us continues to change, we will use all of our investment expertise to originate deals that offer the biggest opportunity to create enhanced value. Across the U.S., Europe and the Gulf, we see pockets of real value across a range of asset classes and we are refining our strategies to capitalize on them.

**Mohammed Al-Shroogi & Rishi Kapoor**  
Co-Chief Executive Officers

# Current dynamics

I recently had the pleasure of speaking at the Emirates Center for Strategic Studies and Research (ECSSR) 22nd annual conference in Abu Dhabi. While we discussed a range of issues related to oil and how the Arab world is positioning itself for the future, the themes that emerged also added weight to the significance I see in the changing way states, corporates and individuals are interacting with one another. At Investcorp, we have observed these changing dynamics for some time and we have been reconfiguring ourselves - in-line with the strategy I unveiled in 2015 - in order to ensure we are well-tuned for the new economic and investment landscape.

We are already seeing the results of this strategy. With more than \$21.4 billion in assets under management, Investcorp today is in a different league of global asset managers. However, our job is far from done. We have now set ourselves the target of \$100 billion in assets under management. Our actions today will shape Investcorp for decades to come, which is why we will remain agile and move quickly - but every step we take will be carefully measured. We are expanding our capabilities and we are deploying new strategic initiatives, which will provide us with greater scale and efficiencies to deliver better value for our clients and shareholders.

On the capabilities front, we officially launched Investcorp Credit Management (ICM) last month. With the changing regulatory environment squeezing banks' capacity to lend, we see this as a tremendous opportunity for Investcorp to grow an exciting new line of business. Elsewhere, Investcorp Technology Partners Fund IV made its first investment - deploying capital into an exciting online professional services platform. Also in Europe, we are making

significant progress on our European Real Estate initiative and we expect to announce our first deal in the coming months. Meanwhile, in the Gulf, we are close to launching our healthcare fund. This will be our first sector-specific fund in the region and, we believe, will be an opportunity to capitalize on diversification and privatization in the region.

Looking at strategic initiatives, we are delighted to welcome to our Board of Directors H.E. Sheikh AbdulRahman Bin Saud Al-Thani from Qatar, Waleed Al Mokarrab Al Muhairi from the UAE, and Abdullah Al-Humaidi from Kuwait. Investcorp is incredibly fortunate to be able to benefit from their experience as we embark on the next chapter in the Firm's history. We also recently saw Mubadala complete the second phase of its investment in 20% of Investcorp's shares. We are very proud of this partnership, which we see as being an important development in the institutionalization of our shareholder base.

Finally, I would like to touch on our recent investment in AlixPartners, which is a great example of how Investcorp can partner with other global institutional investors on specific deals. In the case of AlixPartners, we invested alongside Caisse de dépôt et placement du Québec (CDPQ) and Public Sector Pension



Investment Board (PSP Investments), two of the world's largest and most sophisticated institutional investors.

Investcorp built its name on delivering the highest level of service and risk adjusted returns to our clients - this is in our DNA and will never change. As we continue to grow and evolve, we will never forget or forgo our history and the importance of building lasting relationships with our clients and delivering best in class performance.

**Mohammed Alardhi**  
Executive Chairman





# Two new Board Members

In January 2017, Investcorp welcomed two new members to its Board of Directors, Sheikh Abdulrahman Bin Saud Al-Thani, a Qatari national, and Mr. Abdullah Saud Alhumaidhi, a Kuwaiti national.

Sheikh Abdulrahman Bin Saud Al-Thani is currently a Minister of State in Qatar, a director at Qatar National Bank and the President for the Qatari Sport Union for Special Needs Athletes. He is a member of the Advisory Board at the Center for Contemporary Arab Studies at Georgetown University in the United States, and a member of the Arab Thought Forum in Amman. Previously, Sheikh Abdulrahman acted as the Head of the Amiri Court, the Private Secretary for His Highness, the Father Emir, Sheikh Hamad bin Khalifa Al Thani and the Ambassador for the State of Qatar to the United States.

Sheikh Abdulrahman holds a BA in International Relations, Masters in International Relations, and a Diploma

in National and International Peace from John F. Kennedy School of Government, Harvard University.

Mr. Abdullah Saud Alhumaidhi is a member of the Board of Directors and a member of the Executive Committee of the Board of Directors of the Kuwait Investment Authority. He is the Vice Chairman and Managing Director of Commercial Facilities Company and the Vice Chairman of the Board of Directors and Head of the Investment Committee of the Public Institution for Social Security. Mr. Alhumaidhi is a member of the Board of Directors of Kuwait Petroleum Corporation, and a member of the Board of Directors of the Kuwait Chamber of Commerce and Industry, and is its Honorary Treasurer. He is also a Director of Bank ABC and the CEO of the Petrochemical Industries Company.

Mr. Alhumaidhi holds a BSc and Masters in Chemistry from the American University of Beirut.



Sheikh Abdulrahman Al-Thani



Abdullah Alhumaidhi

# Investcorp Credit Management on board



In March 2017, Investcorp successfully completed its acquisition and integration of the debt management business of 3i (“3iDM”) from 3i Group plc. The business, now recognized as Investcorp Credit Management (“ICM”), adds \$11 billion of assets under management, bringing the total to approximately \$21.4 billion.

Investcorp Credit Management is a leading global credit investment platform, managing funds which invest primarily in senior secured corporate debt issued by mid and large-cap corporates in Western Europe and the US. The business has a strong track record of consistent performance and growth, employing approximately 50 people in London, New York and Singapore.

Commenting on the completion, Mohammed Alardhi, Executive Chairman of Investcorp, said, “The acquisition is a strategic move for Investcorp. Last year we announced our ambitious strategy to grow assets under management to \$25 billion in the medium term. We are firmly on track to achieve our goal as we continue to extend Investcorp’s existing product offerings across private equity, real estate, and alternative investment solutions (formerly hedge funds). The integration of ICM is a natural fit with

our global vision of providing our clients with a diversified range of alternative investment opportunities across different geographies. The next chapter of our corporate narrative starts today, with an even more substantial market stronghold and enhanced competitive edge”.

Jeremy Ghose, who will continue to Head the Investcorp Credit Management business, said, “Investcorp has a long, impressive history and track record of delivering the right products to its strong client base. We are excited about our future as Investcorp Credit Management and the opportunities that exist for our investors and colleagues as part of a well-established, diverse global alternative investment manager.”

John Fraser, Head of Investcorp Credit Management US, added, “We are delighted to have now formally joined Investcorp and integrated our team in to the wider Investcorp business. This is an important milestone for us all. I have full confidence that the combination of Investcorp’s reputation and resources and our experience, expertise and track record will allow us together to build on our past success. We look forward to expanding our platform and product offering with such a well-regarded firm.



Jeremy Ghose



John Fraser



# Sale of PRO Unlimited: 2.5 times in 2.5 years

Approximately \$300 million to be distributed to Investcorp and its clients



Maud Brown

**E**arlier this month, Investcorp announced the sale of PRO Unlimited, a leading software-enabled services company for the staffing and management of skilled professionals, to Harvest Partners.

Investcorp will re-invest in the company alongside Harvest Partners and continue to have a significant minority stake with meaningful influence.

PRO Unlimited is one of the fastest growing providers of software and managed services to large enterprises enabling its clients to more effectively manage their contingent workforce. Under Investcorp's stewardship for only two and half years, PRO Unlimited has increased its net revenues by over 40% and more importantly, almost doubled its Earnings Before Interest, Tax, Depreciation and Amortization. The Company's rapid growth has been in part driven by significant investments in

the Company's software platform and its sales and marketing activities.

"We acquired PRO Unlimited because we knew the Company had significant growth potential given the strong secular tailwinds and its leading market position," stated Maud Brown, Managing Director of Corporate Investment in North America. "We worked closely with the Company's committed management team to grow the business, focusing on new enterprise client wins and key investments in technology, marketing and sales. We continue to have conviction in the long-term market trends and look forward to building upon our relationship with PRO Unlimited and partnering with Harvest to capture additional opportunities."

The transaction is expected to close in May 2017 subject to customary corporate approvals.





Investcorp completes acquisition of stake in  
global advisory firm

# AlixPartners



Dave Tayeh

**AlixPartners**

In February 2017, Investcorp successfully completed its acquisition of a stake in AlixPartners, a leading global financial and operational consulting firm. Investcorp acquired its stake in AlixPartners alongside a consortium of investors that included Jay Alix, the founder of AlixPartners; Caisse de dépôt et placement du Québec (CDPQ); and Public Sector Pension Investment Board (PSP Investments). AlixPartners' Managing Directors will continue to hold a significant stake in the Company.

Founded in 1981, AlixPartners works with clients to help them restore, grow and create sustainable value, in high-impact situations. Its services comprise performance improvement; turnaround and restructuring; investigations, disputes and risk; digital transformation; and transformative leadership. AlixPartners is composed of over 1,600 professionals, spread across 27 offices on four continents.

Mohammed Al-Shroogi, Co-CEO at Investcorp, said, "AlixPartners has a solid business model, which is focused on helping blue chip companies around

the world become more competitive through every stage of the business cycle. Investcorp has known AlixPartners and the value it creates for its clients for a very long time and we are pleased to have the opportunity to be a part of its future. Alongside Jay Alix, our partner investors and the Company's Managing Directors, I am confident that we will be able to help AlixPartners continue expanding around the world and add even greater depth to its capabilities."

Commenting on the deal, Dave Tayeh, Head of Corporate Investment North America at Investcorp, said, "We have already established an excellent partnership with Jay Alix, and I expect us to work closely as the company pursues a range of exciting growth opportunities."

Simon Freakley, Chief Executive Officer of AlixPartners, said: "We are delighted to welcome Investcorp and our other new strategic investors. Their commitment will allow us to continue to grow our business and best serve our clients. We are now in our 35th year and, with revenues of \$1 billion, I believe that AlixPartners is on a great trajectory."

# Arrowhead

The leading US distributor of mission-critical replacement parts



Steve Miller



In January 2017, Investcorp acquired a significant minority stake in Arrowhead Engineered Products, the leading value-added distributor of mission-critical replacement parts in the US specialty vehicle market.

Arrowhead, based in Minnesota, is a global supplier of non-discretionary, mission-critical, rotating electrical parts and their components for the powersports, outdoor power equipment, agricultural, industrial, marine, heavy-duty and automotive end-markets. It is one of the sector's fastest growing companies and has distribution and sourcing locations in North America, Europe and Asia. Arrowhead employees service over 40,000 customers on a daily basis.

Steve Miller, Principle in the Corporate Investment North America team at Investcorp, said, "Arrowhead is a proven market-leader, well known for providing customers around the world with mission-critical replacement parts, a market that is valued at \$28 billion in the US alone. As can be seen by the add-on acquisitions of Stens and J&N Electric, we believe there are a number of organic

and acquisitive growth opportunities available to Arrowhead as it seeks to deepen its market share, particularly in the agriculture, industrial and outdoor power equipment segments. We are very much looking forward to being a part of Arrowhead's future."

Commenting on the deal, Dave Tayeh, Head of Corporate Investment North America, said, "We look forward to working alongside this top-notch management team to enhance and accelerate the growth in new products and to expand into new markets. We have a long-standing track record in creating value in supply chain services and distribution companies and we believe our in-depth knowledge and experience will help Arrowhead increase its footprint.

CEO of Arrowhead, Jim Wisnoski, commented that, "Investcorp has deep experience in the motorized parts industry that is invaluable for Arrowhead's next phase. We believe their network, capital and capabilities will help us execute on our ambitious growth plans."



Investcorp acquires majority stake  
in European online marketplace

# Ageras



Gilbert Kamieniecky



Investcorp Technology Partners, which focuses on tech-enabled investments in the European lower middle-market as part of the Investcorp Group, have reached an agreement to acquire a majority stake in Ageras, a fast growing European online marketplace matching SMEs and micro-businesses with professional services providers such as accountants and lawyers.

Despite receiving no external investment until now, Ageras grew its revenues by approximately 60% over the last financial year and, in 2016, connected ~16,600 customers successfully. Ageras operates in five markets, Denmark, Sweden, Norway, Holland and Germany from its Copenhagen headquarters. The Company has delivered consistent growth by reinvesting cash generated back into the business.

Commenting on the investment, Gilbert Kamieniecky, Managing Director of Corporate Investment - Technology said, "Ageras' unique combination of customised service and high automation positions it perfectly to connect SMEs with accountants and lawyers. Its best-in-class levels of customer satisfaction coupled with recurring sales into its partner base have allowed it to secure a leading market position in Europe. These fundamental business strengths, coupled

with an outstanding management team, make it an ideal candidate for Investcorp to partner with."

Rico Andersen, Chief Executive Officer, Ageras, added, "From the first moment we met Investcorp it was clear that they were the right partner for Ageras as we transition to the next level in our growth trajectory. Investcorp has a fantastic track record of growing founder-owned companies in the technology space, and its global presence and extensive network will support Ageras' continued international expansion. Executing this investment from Investcorp is a great vote of confidence in Ageras' development to date, and we believe their ongoing support will open up multiple opportunities for future growth."

Investcorp has established a market leading position of investing in lower mid-market technology companies with a particular focus on founder-owned Data, IT Security, Internet / Mobility and Fintech / Payments businesses, and has raised more than \$1 billion in funding for technology investments. Investcorp continues to see a strong technology deal pipeline in the market with Ageras marking its second investment in the sector within four months.





# NDT CCS

Investcorp's portfolio company acquires majority stake in Oman's Hi-Tech Inspection Services



Walid Majdalani



Investcorp's portfolio company NDT Corrosion Control Services Co. ("NDT CCS") has recently acquired a majority stake in Hi-Tech Inspection Services LLC ("Hi-Tech"), Oman's largest provider of industrial non-destructive testing ("NDT") and inspection services. Hi-Tech's founders, Al Sulaimi Group Holding, established the company in 1996.

Investcorp acquired a majority stake in NDT CCS in July 2015 from the Al Shuwayer Group which founded the company in 1975 and retains a minority stake alongside Investcorp. Under Investcorp's ownership, NDT CCS has solidified its market leading position and expanded its operations both organically in its core markets and inorganically as a result of its acquisition of Hi-Tech.

Hi-Tech offers a complete range of non-destructive testing, post-weld heat treatment and specialized inspection services to clients in Oman engaged in the oil and gas, manufacturing and construction sectors. Hi-Tech employs over 600 specialized technicians and has an estimated market share of over 35% in Oman.

Walid Majdalani, Managing Director in the Corporate Investment - MENA team at Investcorp, said, "This is the first major investment for Investcorp's portfolio company in Oman and we are confident that Hi-Tech will be a natural fit for NDT CCS. Investcorp will lend its operational and financial expertise with the objective of helping the combined company create new growth opportunities in Oman, Saudi Arabia, and the rest of the GCC."

Haitham Al Fannah, CEO of Al Sulaimi Group Holding, said, "Over the past 20 years, we have built Hi-Tech into Oman's leading NDT and inspection services company. It is the right time to bring on a strategic investor to provide the depth and market position to allow us to grow across the GCC. NDT CCS and its sponsor Investcorp offer regional growth opportunities that meet the ambitions and capabilities of Hi-Tech. We at Al Sulaimi Group Holding look forward to working with our new partners over the years ahead."

Wrench Completes

# Baker Acquisition



## The Wrench Group

Investcorp's Corporate Investment North America portfolio heavyweight, the Wrench Group ("Wrench") - has successfully completed the acquisition of Baker Brothers Rotovision, Inc., a leading Dallas-based residential HVAC & plumbing service provider, for approximately \$32 million.

Baker was identified early in Wrench's initial 180-day plan as an acquisition target, given the firm's strong brand reputation and financial performance.

The acquisition will expand Wrench's coverage in the attractive Dallas market, while adding a high quality

operation to the platform.

Investcorp's Corporate Investment North America portfolio heavyweight, the Wrench Group ("Wrench") - has successfully completed the acquisition of Baker Brothers Rotovision, Inc., a leading Dallas-based residential HVAC & plumbing service provider, for approximately \$32 million.

Baker was identified early in Wrench's initial 180-day plan as an acquisition target, given the firm's strong brand reputation and financial performance.

## POC Award Winning Innovation

Investcorp's Corporate Investment Europe portfolio company, POC announced that it has been awarded a host of industry awards for several of its 2017/18 snow season innovations.

POC's latest innovations include, SPIN, a new patent pending helmet technology created to counter the effects of oblique impacts, which awarded the 'Outside - gear of the show' award at SIA. Whereas, POC Layer, which is a cut resistant performance base layer for ski racers, has been chosen as an ISPO 'Gold Winner'.

POC which has built a reputation on safety, innovation and design was founded in 2005 in Sweden.

Investcorp acquired POC in 2015 as part of the Dainese group for a total consideration of \$65 million from outdoor equipment maker Black Diamond, Inc.



## Ambitious Expansion Plans for **Corneliani**



**W**hilst remaining loyal to its traditional values and Italian craftsmanship, Cornelinai, in which Investcorp owns a majority stake, is embarking on an ambitious expansion plan, with new franchises in the pipeline, both domestically and overseas.

Since the acquisition in June 2016, Investcorp's Corporate Investment Europe team has paved the way for a long-term future growth for the luxury Italian menswear specialist, by injecting fresh capital and bringing new executive talent on board including the new CEO, Paolo Roviera.

Commenting on the company's performance, Roviera said, "Our first testing ground could not but be the Milan Men's Fashion Week, though since I got on board, I have endeavored to work on many fronts, from corporate organization to distribution, from staff training to the creative aspects, not

forgetting communications. In order to send a strong signal, we've decided not to have a fashion show proper but to entrust the responsibility of narrating the new collection and at the same time, Corneliani's spirit, to short films by cutting-edge European names in creativity: the Vincent&Kristell duo, Elena Petitti di Roreto, The Jack Stupid creative studio and Marta Vismara."

Roviera closed 2016 with a turnover of €110 million and is optimistic about 2017. The first milestone of the brand's new vision is to debut at the Milan Fashion Week with an innovative twist of incorporating three short feature films from the 'Corneliani to You' series that accompany the catwalk.

## **Orka Resellers Event in Istanbul**



**ORKA GROUP**  
"FASHION IS OUR BUSINESS"

**O**rka Group, an Investcorp Corporate Investment-MENA portfolio company, held its 5<sup>th</sup> Annual International Resellers' Event in Istanbul earlier this year, with a delegation of 180 people from 80 countries, including Italy, Spain, Russia,

Australia, South Africa and China.

The 10-day Resellers' Meeting enabled Orka Group not only to present Damat, D'S and Tween collections and brand plans set for this year, but also to announce its 50 new store openings target for 2017 to new countries including Sweden and Switzerland.



Investcorp Sells Stake in

# Optiv Security to KKR



Timothy Mattar

In December 2016, Investcorp completed the sale of Optiv, a market-leading provider of end-to-end cyber security solutions, to KKR. Optiv is being acquired from a group of private investors, including a private equity fund managed by Blackstone, Investcorp and Sverica.

Investcorp originally invested in Optiv through the acquisition of FishNet Security in November 2012. During Investcorp's holding period, FishNet Security acquired one company, merged with Accuvant to create Optiv, and subsequently completed three additional acquisitions. As part of the Optiv merger, Investcorp retained a meaningful minority equity interest in the combined company. Since closing, the newly combined entity has become one of the largest pure-play cyber security providers in the world, over the past three years having served more than 7,500 clients in 76 countries, including 71 of the Fortune 100 and 604 of the Fortune 1000. Today, Optiv serves as the number one information security partner for many of the established and emerging security software vendors and hardware manufacturers. Optiv was named to the 2016 Inc. 5000 list as one

of North America's fastest-growing private companies with a 97 percent three-year growth rate.

Timothy Mattar, Head of Placement & Relationship Management at Investcorp, stated, "Our track record in identifying companies and industries with significant growth potential has allowed us to expand businesses and enhance their value. The recent sale of Optiv to KKR serves to further emphasize our continued investment momentum in the United States.

"Investcorp's acquisition of FishNet Security exemplifies the type of companies and industries where we see significant opportunities in which to invest," said Timothy Mattar, Head of Placement & Relationship Management at Investcorp. "Since Investcorp's initial acquisition, the business has increased revenue and EBITDA nearly three times through organic growth, the merger that created Optiv and strategic acquisitions, which broadened the scope and scale of the business. We believe the Company will continue to realize extraordinary growth and are proud to have been part of its development trajectory."

Over the years, Investcorp has successfully invested in several security related companies. Previous investments include CSIdentity, the technology leader in providing identity theft and fraud protection services; and Sophos, a world leader in providing enterprise-wide anti-virus protection to corporations, governments and academic institutions. In addition to Optiv, the current portfolio includes Securelink, a leading European cyber security infrastructure and managed services provider; and OpSec Security Group, the global leader in anti-counterfeiting technologies, as well as solutions and services for physical and online brand protection.



Atlantic Point, New York

# \$400 Million Investment in New York, California, and Nevada



Herbert Myers

Investcorp continued to strengthen its portfolio in the U.S. real estate market with three new multifamily housing properties in New York, California, and Nevada, for a total purchase price of nearly \$400 million.

“As we look to the next phase of growth for Investcorp, we have great confidence that the U.S. is a place where our investments will continue to serve our global client base well, as we believe the U.S. economy is poised for significant growth.” Herbert Myers, Managing Director in the Real Estate Investment

team at Investcorp, said. He added: “We have a long history of investments in the U.S., and our \$1.2 billion investment in residential properties in the past 18 months demonstrates our belief that the U.S. real estate market provides high-quality investments that will generate steady returns in the years to come.”

All three properties are located in markets which benefit from robust fundamentals in the multifamily space.

Atlantic Point is a 795 unit, Class A, 115 acre multifamily housing property located in Bellport, New York, which is



## Brings Total Residential Investments to More Than \$1.2 Billion in the Last 18 Months

located within the Nassau County-Suffolk County Metro Division. Suffolk County is one of the tightest multifamily housing markets in the U.S. with a vacancy rate of 2.9%. Given the high cost of land and strict zoning regulations which makes it difficult to build, the area has seen minimal new development since the 1990s. This has led to a favorable supply / demand imbalance in the overall market. The region is home to Brookhaven National Lab, Stony Brook University, Brookhaven Memorial Hospital and Stony Brook University Hospital.

The Highlands is a 556 unit, Class B, garden-style multifamily housing unit in Grand Terrace, California, in the Riverside-San Bernardino MSA. In this area, the multifamily market leads the nation in rent growth, having logged 5.1% in rent growth in 2016. Market-

wide vacancy is projected to average 2.4% over the next five years.

Villas at Green Valley is a 609 unit, Class B, garden-style multifamily housing property located in Henderson, Nevada, in the Las Vegas MSA. The metro Las Vegas economy has rebounded strongly since the 2008/2009 downturn. As a result of factors like no state income tax, a low cost of living, and a favorable climate, population growth has exceeded 50% since 2000. Further, over the next five years, the metro area is projected to lead the nation in population, employment and real Gross Metropolitan Product (GMP) growth, all of which are expected to be solid drivers for multifamily demand.



Highlands Apartment Homes, California



Villas at Green Valley, Nevada



# Nut Tree Reaches \$400 Million Asset Milestone

**N**ut Tree Capital Management, a New York based credit-focused investment manager, celebrated its first anniversary in February. The firm has over \$400 million in assets under management (“AUM”) as of March 1st.

CIO and founder of Nut Tree, Jed Nussbaum, has 17 years of investment experience in credit markets. He was previously a Partner at multi-billion dollar credit hedge fund Redwood Capital Management. He is joined by team members with investing and operations experience at industry leading firms including KKR, GLG, Goldman Sachs, and Scout Capital.

Nut Tree, which pursues a fundamental credit strategy by investing in both stressed and distressed investments primarily in North America, continues to identify sources of opportunity. Nut Tree looks for companies that face earnings inflection points and offer complexity discounts and misunderstood risks and optionality. Nut Tree has participated in capital structure arbitrage while also pursuing hard catalyst events including

refinancings, liquidations and company sales.

Nut Tree launched in February 2016 with approximately \$100 million of assets under management. Investcorp has been involved with Nut Tree from day one as a strategic partner.

“We are focused on bringing very successful portfolio managers onto our Hedge Funds Partnerships platform,” said Lionel Erdely, Head and Chief Investment Officer of Alternative Investment Solutions at Investcorp.

“Nut Tree Capital has been an excellent addition to our platform, and we are excited about the firm’s future”.

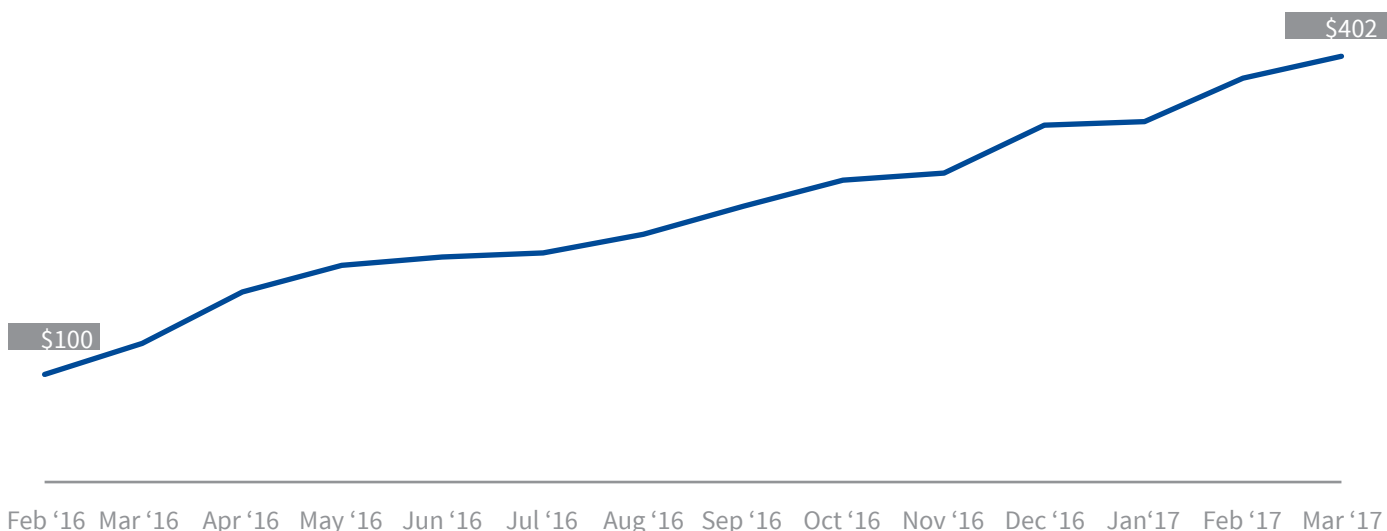
Mr. Nussbaum added, “Investcorp has been a terrific partner and has made a significant contribution to our success. The ability to be at \$400mm AUM in a year’s time has been a strategic advantage for Nut Tree”.



Lionel Erdely



Jed Nussbaum



# Alardhi delivers Keynote Address at the **ECSSR conference in Abu Dhabi**



In March 2017, Mohammed Alardhi, Executive Chairman of Investcorp, gave a keynote address at the Emirates Center for Strategic Studies and Research (ECSSR) 22nd annual conference in Abu Dhabi. The conference was held under the title 'The Future of the Region: Oil Price Challenges'.

Addressing an audience of distinguished business leaders, professors, policymakers and thinkers, Mohammed Alardhi discussed the regional and international economic developments and their implications on the business landscape in the Arab region and the world at large. He said, "The Arab region today is in the midst of fundamental geopolitical and geo-economic shifts defining the strategic environment in which states, businesses and individuals will operate in pursuit of their interests. This new landscape has brought to the fore, at least three key challenges policy makers will face as they work on mitigating the impact of lower oil prices: Sustainability, Reform pace and

momentum and Regional economic security"

Mohammed Alardhi underlined the importance of the recent economic and fiscal reforms in the GCC region, and emphasised the need for further collaboration in order to adapt to the ever-changing environment in the global marketplace, saying, "Streamlining the public sector, adopting a more restrained and responsible fiscal stance is essential. It should go hand in hand with labour market and education sector reforms in order to secure more sustainable outcomes. Although the adjustment differs in pace and intensity depending on domestic conditions, countries have started transforming their economies in phases away from oil based dependent activities. In the UAE in particular, the IMF (August 2016) reports that crude and natural gas contribution to the overall 2015 GDP was 32% suggesting 68% to be non-oil revenues. This is a huge achievement by the government of the UAE."

Alardhi added, "Ambitious plans and initiatives such as Saudi Arabia's vision 2030, UAE's vision 2021, Oman's National Program for Economic Diversification 'Tanfeedh', and Kuwait's economic and fiscal reform programme go in that direction, but still require proactive engagement, outreach and communication and greater involvement of local stakeholders in the policy process."

The conference took place on 21 and 22 March, and included a range of panel discussions, exploring the developments in the field of energy and the future of domestic stability in Arab states.

# UAE Ambassador to the US

## hosts Alardhi & El-Erian as Guests of Honour



**E**arlier this year, Ambassador of the United Arab Emirates to the U.S. Yousef Al Otaiba hosted a dinner event in Washington D.C. in honor of Investcorp's Executive Chairman, Mohammed Alardhi and Chief Economic Advisor of Allianz, Dr. Mohammed El-Erian.

Attended by senior political figures

and finance and media experts, the event featured a keynote speech from Alardhi, where he gave an overview of Investcorp's history in the U.S. market and the latest initiatives across its different lines of business. The speech was followed by a Q&A discussion moderated by David Ignatius.

Both Co-CEO's Mohammed Alshroogi and Rishi Kapoor attended the event, alongside the heads of Real Estate Jon Dracos, AIS Lionel Erdely, CIE Hazem Ben-Gacem and Corporate Communications Firas El-Amine.



*From left to right: Ambassador of the United Arab Emirates to the U.S. Yousef Al Otaiba, Investcorp's Executive Chairman, Mohammed Alardhi and Chief Economic Advisor of Allianz, Dr. Mohammed El-Erian.*



# Digital Marketing Symposium in New York

Investcorp hosted its first Digital Marketing Symposium for its Corporate Investment - North America (CINA) portfolio companies at the offices of Gibson, Dunn & Crutcher in New York City. This one-day symposium was held on March 1st and brought together marketing executives from the Firm's U.S. portfolio companies with industry leaders from leading consulting firms.

This symposium is one of a series of events that the CINA group has been hosting as part of its broader post-acquisition initiatives. Conferences have also been held for the portfolio company CFOs and CIO/CTOs. The goal of these conferences is for the portfolio company executives to develop relationships with each other, share best practices and leverage the power of being part of the Investcorp network.

The event provided a platform for business leaders to foster knowledge sharing, develop new skills and discuss critical issues facing their respective companies in increasingly complex industries, including industrials, professional and business services, consumer goods and retail. The program focused on the understanding the customer journey, customer lifecycle marketing and customer acquisition, digital transformation, and data & marketing analytics.

Amit Gaiand, Principal at Investcorp, who led the development of the program, stated, "We have always been committed to strengthening our portfolio companies and developing talent by leveraging our powerful global network. As we continue to work closely with our leaders to enhance their businesses, we saw that creating a compelling and consistent customer experience was a topic that leaders were looking to further develop and evolve. Bringing our network together to create this forum allowed our companies to not only learn best



practices from each other but to tap the deep resources Investcorp offers in an interactive manner."

Anand Radhakrishnan, Managing Director at Investcorp said, "Bringing together leaders from around the nation to discuss the changing landscape across many industries gave us the opportunity to delve into challenges that our portfolio companies are currently facing and learn critical methods by which to solve them such as the growing emergence of e-commerce. Investcorp understood the respective needs and brought together an exceptional group of people to support the continued efforts to improve our customer experience.

Representatives from AlixPartners, Arrowhead Engineered Products, Nobel Learning Communications, Paper Source, PRO Unlimited, Randall Reilly, Sur la Table, TelePacific, and The Wrench Group attended. There were also professionals from FitForCommerce, Boston Consulting Group and Bain Capital that attended, participated and presented throughout the day.



Anand Radhakrishnan



Amit Gaiand



Two Female Students Receive

# Investcorp Student Innovation Prize



Investcorp, was pleased to announce the winning team of its \$25,000 Student Innovation Prize during an official ceremony held at the University of Bahrain earlier in February. The event was attended by the university President, Professor Riyadh Hamza, alongside Investcorp's Co-CEO, Mohammed Al-Shroogi, as well as members of the judging panel and participating teams. Launched in June 2016, the competition

received strong response from a large number of university students across Bahrain. Composed of two female students from Bahrain Polytechnic, the winning team was selected following a rigorous process where five teams were shortlisted to present their business ideas in front of a judging panel from Investcorp.

Addressing the audience, Mohammed Al-Shroogi, Co-CEO of Investcorp, highlighted the importance of education and youth in the development of every society, and said: "Investcorp has always recognised the importance of supporting the professional development of the Bahraini youth. It is our duty to provide them with the guidance, motivation and encouragement they need to become the business leaders of tomorrow."

"With this competition, we wanted to stimulate innovative thinking amongst the younger generation, and we were delighted with the quality of response we had from across the Kingdom. This

is testament to the great potential and talent of our youth."

In addition to the Prize, Investcorp runs a number of educational initiatives with well-respected partners, such as Injaz Bahrain, to support the professional development of the youth of Bahrain. Investcorp also hosts an annual Leadership Programme at some of the world's most prestigious business schools. Recent programmes took place at Cambridge and Oxford.



# Investcorp further grows its team with **new strategic hires**

Investcorp continues to attract new talent to its growing team of professionals, with seven new strategic hires joining the Firm's offices in the Gulf and New York over the first few months of 2017.

In New York, we were pleased to welcome two new Vice Presidents to our Alternative Investment Solutions and Legal and Compliance teams. Matthew McCann joined Investcorp's Alternative Investment Solutions team from SkyBridge Capital, where he was a Director of Institutional Sales. Sami Qasimi joined the Legal and Compliance team from Barclay's Capital, where he was an AVP in trade surveillance. The Technology team also welcomed a new member, with the appointment of Jason Wu as an Associate Vice President, joining from Lenox Advisors.

In Placement and Relationship Management (PRM), we were pleased to welcome Aya Taha and Ahmed ALZayani as Vice Presidents in the Dubai and Doha offices, respectively, and Adel

ALMarzooqi, as a Principal with the Abu Dhabi team.

Prior to joining Investcorp, Aya Taha was with the Head of Business Banking at HSBC Bank in Dubai, while Ahmed ALZayani was part of the Investors Relationship Management team at Arcapita Investment Management. Adel ALMarzooqi joined Investcorp's team in Abu Dhabi from the National Bank of Abu Dhabi where he was the Executive Director of Private Banking.



Aya Taha



Matthew McCann



Sami Qasimi



Jason Wu



Ahmed ALZayani



Adel ALMarzooqi

**INVESTCORP  
BANK B.S.C.**

Investcorp House  
PO Box 5340

Manama  
Kingdom of Bahrain  
Tel: +973 17532000  
Fax: +973 17530816

**INVESTCORP  
INTERNATIONAL LTD.**

Investcorp House 48  
Grosvenor Street

London W1K 3HW  
United Kingdom  
Tel: +44 (0)20 7629 6600  
Fax: +44 (0)20 7499 0371

**INVESTCORP  
INTERNATIONAL INC.**

280 Park Avenue  
New York

New York 10017  
United States of America  
Tel: +1 212 599 4600  
Fax: +1 212 983 7073

**INVESTCORP  
SAUDI ARABIA**

Al Faisaliah Tower  
Olaya District

Riyadh  
Kingdom of Saudi Arabia  
Tel: +966 14846600  
Fax: +966 12730771

**INVESTCORP  
BANK B.S.C.**

AlSila Tower - 8th floor  
Abu Dhabi Global Market  
Square Al Maryah Island

Abu Dhabi  
United Arab Emirates  
Tel: +971 2501 8900  
Fax: +971 2644 2332

**INVESTCORP  
INVESTMENTS L.L.C.**

Qatar Financial Centre  
Tower 1 - Suite 701  
West Bay Area

Doha  
State of Qatar  
Tel: +974 44967966  
Fax: +974 44967960

**INVESTCORP ASIA  
SERVICES PTE LTD.**

Level 24-01, CapitaGreen  
138 Market Street

Singapore 048946  
Tel: +65 6679 6031  
Fax: +65 6679 6097