

# THE REVIEW

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# Bringing the best of the Firm to our clients



Investcorp is committed to delivering the very best for its clients. The record level of \$3.4 billion in distributions during the course of fiscal year 2017 was particularly pleasing in that regard, and is testament to the dedication and skill of the fantastic teams we have working for our clients at Investcorp.

We are delighted that the creativity, hard work and performance focus of our teams have also been recognised by leading industry bodies. In May, Investcorp was named the 'Best Private Equity firm in MENA' at the Banker Middle East Industry Awards 2017. A month later, the Firm was honored at the EMEA Finance Achievement Awards in London when it was awarded 'Best Private Equity House in EMEA' and the 'Best Private Equity Exit in EMEA', for the exit of UK-based food manufacturer Tyrrells.

In terms of regional activity, we continue to invest in steadily strengthening Investcorp's client-facing relationship management team in the Gulf, which has been reinforced with 10 new members



over the last two years. This allows us to be as close as possible to our long-standing clients in the region and provide them with the highest level of service and a steady flow of attractive alternative investment products and solutions.

In Europe, Investcorp's newly established European Real Estate business continues to gain momentum, with the team already having completed the acquisition of nine properties in the United Kingdom. By combining our decades of experience investing in US real estate together with our presence and private equity investment experience in Europe, we are confident that we can bring a new perspective to investing in European real estate. Elsewhere in Europe, technology-enabled businesses continue to be a sector we like. In June, Investcorp acquired ABAX Group, an international market leader in the development and supply of vehicle tracking systems technology. This is the third telematics company we have invested in, making us the ideal partner

to help the company reach its full potential. Technology Fund IV has also been active on the investment front, acquiring education software company Impero. In terms of exits, we finalised the sale of Esmalglass, yielding an excellent return for our investors.

Across the Atlantic, we exited from PRO Unlimited in a hugely successful deal for Investcorp and its clients over a relatively short hold period. We remain committed to the business through retaining a significant minority stake and we are looking to build on the success we have had so far with PRO Unlimited, which includes increasing its net revenues by over 40% and almost doubling EBITDA in less than three years. Our North American Real Estate team has also been active in a number of its targeted key MSAs. In April, we invested in an industrial portfolio of properties in the Chicago and Boston metropolitan areas. More recently, in September, we invested in six multifamily properties in Florida and Arizona, which are all located in key growth markets with strong fundamentals in the multifamily space.

These are exciting times for Investcorp, as we seek to fulfill our vision of pursuing a growth agenda in a prudent and profitable manner. Right across the Firm, our teams are working hard to identify, structure and bring attractive investment products and solutions for our clients across the globe, while also executing on a number of initiatives that underpin the Firm's medium term growth strategy and its continued evolution as a global alternative investment manager serving a global investor base.

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



# Transformative year



**O**ur Fiscal Year 2017 was a transformative one.

We doubled in size in terms of assets under management to \$21.3 billion, which placed us among the larger global alternative asset managers in the world.

Right across the group, from Corporate Investment, to Real Estate, to Alternative Investment Solutions and, to our most recent line of business, Investcorp Credit Management, we are utilising our new scale to capture an even greater array of investment opportunities around the world and across various asset classes. As I have said before, our ambition does not end here. We have our sights on a much bigger target, with an even greater range of capabilities, which will enable us to generate stronger, more consistent returns for our clients and our shareholders. The record distributions we made at the end of Fiscal Year 2017, \$3.4 billion in total - demonstrates the intense focus we have on delivering for our clients.

To help us in our pursuit to be a more global Firm, we now have our first ever on-the-ground presence in Asia, after opening a Singapore office in April. The Singapore office is a key part of our new strategy and will serve as a base for expanded operations in Asia. As I look at our activities around the globe, in the US, Europe, the Gulf and Asia, I see a global firm in solid growth. Articles in this issue are a clear testament.

As we continue to strengthen and grow Investcorp, I was delighted to welcome two illustrious names from the world of finance to our International Advisory Board. Dr Mohamed A. El-Erian, Chief Economic Advisor at Allianz and Chair of its International Advisory Board, and Deepak Parekh, Chairman of HDFC Limited, India's leading financial services conglomerate, are two deeply respected

leaders of the global financial services industry. They both bring extensive experience of navigating capital markets and economic cycles, and are bringing new perspectives that will help Investcorp as we grow around the world and into new asset classes.

We remain focused on enhancing our capabilities and growing our footprint in order to bring the very best investment opportunities to our clients. While there is no denying that we are living in volatile times, Investcorp is as agile and strong as ever. Thank you all for your continued support.

**Mohammed Alardhi**  
Executive Chairman





From left: Rishi Kapoor, Mohammed Alardhi, Lisa Johnson and Mohammed Al-Shroogi



Investcorp's Executive Chairman inaugurates the Firm's

# first office in Asia

**T**he Singapore office follows the integration of the Investcorp Credit Management team, which brought with it an existing presence in Singapore.

In April 2017, Investcorp's Executive Chairman, Mohammed Alardhi, inaugurated Investcorp's office in Singapore, the Firm's first office in Asia.

The Singapore office will serve as a base for expanded operations in Asia, and will also serve as a platform from which Investcorp can analyse investment trends in the region.

Mohammed Alardhi said, "Investcorp

has been expanding its reach and capabilities at a rapid pace over the last two years and our plan is to continue growing where we see opportunities to generate the most value. This office in Singapore is a key part of those plans. We also intend to monitor closely the economic and investment landscape across East Asia as part of our ongoing evaluation of our investment universe."

This is Investcorp's seventh office around the world, joining Bahrain, New York, London, Abu Dhabi, Riyadh and Doha.



El-Erian and Parekh join

# International Advisory Board



Dr. Mohamed A. El-Erian



Deepak Parekh

Over the last six months, Investcorp welcomed two new members to its International Advisory Board: Dr. Mohamed A. El-Erian, Chief Economic Advisor at Allianz and Chair of its International Advisory Board, and Deepak Parekh, Chairman of HDFC Limited, India's leading financial services conglomerate.

Mr. El-Erian, one of the most high-profile figures in global business and investment, has a distinguished career that includes senior roles in academia, international institutions and the private sector. He joins Investcorp's Advisory Board at a time when the Firm is achieving significant growth driven by an ambitious strategy.

Mr. Parekh has played a significant role in the development of the financial sector in India, playing a leading role in the diversification of the business into banking, asset management, insurance, real estate and education. Mr. Parekh has been a leading advisor to the government of India and was an active member of the committees that shape policy in critical insurance, banking and infrastructure reforms.

Commenting on the appointment, Dr. El-Erian said, "Investcorp has a strong track record of over 35 years of being a bridge for Gulf capital investing in assets in the West. While maintaining its Gulf roots, it has been transforming itself into a truly global alternative asset manager with an international client base, a broad range of products and some of the most talented people in the industry. It is a privilege to have been invited to join its Advisory Board and I am excited about being part of the next stage of the Firm's growth."

Mr. Parekh said, "Investcorp is driving an ambitious phase of growth which is guided by a vision to transform itself into one of the world's leading diversified global alternative asset managers. In a short period of time the team has delivered a doubling of assets under management, broadened its investor base and expanded its product lines for its clients. I am truly excited to be joining the Advisory Board at this transformational time and look forward to working with the Investcorp management team and my fellow International Advisory Board members."

Investcorp's International Advisory Board is chaired by Mohammed Alardhi, Executive Chairman of the Firm. It meets annually and provides advice and guidance to the Firm. It consists of Kofi Annan, President of the Global Humanitarian Forum and former Secretary-General of the United Nations; Dr. Wolfgang Schässel, President of the Foreign Policy and United Nations Association of Austria, and former Federal Chancellor and Minister for Economic Affairs of Austria; Ambassador Wolfgang Ischinger, former German Deputy Foreign Minister and Chairman, Munich Security Conference; Global Head of Government Relations and Public Policy for Allianz; Pierre Keller, former Managing Partner of Lombard Odier & Cie; Ana Palacio, former Foreign Minister of Spain and Senior Vice President of International Affairs and Marketing, AREVA; and Dr. Otto Schily, former German Interior Minister and a member of the German Bundestag where he serves on the Committee on Foreign Affairs.





## Investcorp acquires Nordic telematics firm

# ABAX



Yusef Al Yusef

In June 2017, Investcorp successfully completed the acquisition of ABAX Group, an international market leader in the development and supply of vehicle tracking systems technology, from Norvestor VI L.P. for an enterprise value of approximately NOK 1.8 billion (equal to \$210 million based on the current foreign exchange rate).

Founded in 2003, ABAX has become one of Europe's fastest growing technology businesses and the leading telematics service provider in the Nordics by developing and delivering sophisticated fleet tracking, electronic triplogs, equipment and vehicle control systems

and order management systems. Headquartered in Larvik, Norway, the Company has around 350 employees and established operations across the Nordic region as well as in Poland, the Netherlands, the United Kingdom and China. ABAX has over 200,000 active subscriptions for its service and 25,500 customers.

Commenting on the investment, Yusef Yusef, Managing Director at Investcorp, said, "ABAX's market position and what we think are terrific growth prospects represent an attractive investment opportunity for Investcorp. As one of Europe's fastest growing telematics companies, ABAX is well placed to further expand in the automotive industry. Having made three previous investments in this exciting sector, we bring successful telematics experience and operational know-how and we look forward to partnering with the management team to establish the Company as a leading player in the global market."

Petter Quinsgaard, ABAX Chief Executive Officer, added, "Our conversations with Investcorp in the lead up to this

agreement gave us great confidence that they will help us take the Company forward. We think that Investcorp's track record in the Nordic region as well as their understanding of broader technology markets will provide us with the ideal support to expand our international reach in the telematics industry. Investcorp's acquisition of ABAX demonstrates confidence in the growth potential of this Company and we look forward to working together to accelerate the Company's growth in the years to come."

ABAX marks Investcorp's fourth investment in Scandinavia in the last 18 months, having previously acquired Coresec, Sweden's largest managed cyber security service provider; POC, a Stockholm-based revolutionary manufacturer of skiing and cycling helmets, gear and accessories; and Ageras, the Copenhagen-based online B2B marketplace for professional services, which is a Technology Fund IV investment.





Investcorp Technology Partners acquires leading online student safety provider

# Impero



Gilbert Kamieniecky



In August 2017, Investcorp Technology Partners successfully completed the acquisition of Impero Holdings Limited for an enterprise value of £27.5 million for its fourth Technology Fund. Impero is the UK's no. 1 provider of online student safety, classroom and school network management software.

Founded in 2002, Impero has become the UK market leader in integrated safeguarding software with its comprehensive education solution that enables schools to keep students safe, improves the teaching environment and maximises efficiency for school network managers. Headquartered in Nottingham the Company has a 20% share of the UK secondary school market, currently serving more than 1,400 secondary schools across the

country. Globally, the software is accessed by over 1.5 million devices in over 90 countries, including schools in more than 500 US districts. Impero has revenues of approximately \$10 million.

Commenting on the investment, Gilbert Kamieniecky, Managing Director at Investcorp, said, "The mission critical nature of Impero's product offering, its strong reputation with customers and its attractive growth prospects in the UK and abroad represent a very attractive investment opportunity for Investcorp Technology Partners. Its best-in-class safeguarding software and high levels of recurring revenue have allowed it to secure a leading market position. These fundamental business strengths make it an ideal candidate for Investcorp Technology Partners to partner with."

Sam Pemberton, CEO of Impero, says: "We recognised that, as a business, having achieved everything we set out to achieve with Connection Capital it was time to find new owners with a wealth of experience in the EdTech space, who would help us deliver on our next set of business goals and with the expertise to drive international expansion. We were impressed by Investcorp Technology Partners' knowledge of our sector, enthusiasm and deep understanding of our business and commitment to growth. I am delighted to be working alongside their world-class team."

The transaction marks Investcorp's third technology deal in the lower middle market in the past nine months

Investcorp Technology Partners recently announced the acquisition of Ageras, a fast growing online marketplace matching Small and Medium-sized Enterprises ("SMEs") and micro-businesses with professional services providers such as accountants and lawyers, and prior to that Calligo Limited, a provider of cloud solutions focused on serving the global mid-tier enterprise segment that grew its revenues by approximately 100% year-on-year in 2016. Having raised over \$1 billion for dedicated technology investments starting with its first Technology Fund, Investcorp Technology Partners has a particular focus on Data, IT Security, Internet/Mobility and Fintech/Payments businesses.



# Investcorp completes the sale of **Esmalglass**



Timothy Mattar

**esmalglass**·itaca  
grupo

In July 2017, Investcorp successfully completed the sale of Esmalglass to global private equity firm Lone Star for an enterprise value of €605m.

Established in 1978 in Villareal, Spain, Esmalglass is the leading producer of ceramic colors and glazes in the world with total sales of approximately €400 million in 2016. Esmalglass supplies a wide range of high-value added, mission-critical intermediate products used in the manufacturing and decoration of ceramic tiles. The company employs around 1,400 people.

Investcorp acquired Esmalglass in July 2012 and has worked with the management team to solidify the company's position across international markets and extend its product offering, establishing it as the leading business in the ceramic colors and glazes sector. Under Investcorp's ownership, EBITDA has doubled, with strong organic growth in the color business complemented by the company's acquisition of Fritta in 2015, which enabled Esmalglass to strengthen its position in the glazes market. Throughout this period, Esmalglass has also become a market leader in ceramic digital solutions – such as inkjet inks, digital effects and digital

glazes – which have revolutionized the ceramic tile industry.

Timothy Mattar, Head of Placement & Relationship Management at Investcorp, said: "In 2012, many investors shied away from Spain due to the perceived risk of an EU meltdown. Investcorp has been investing in Europe for over 35 years through a number of economic cycles, and our commitment to Esmalglass and Spain has today yielded an excellent return to our investors."

Dr. Antonio Blasco and Dr. Vicente Bagán, Co-CEOs of Esmalglass, said: "We have greatly enjoyed our partnership with Investcorp and with their valuable investment experience and support, have increased our market share of the ceramic colors and glazes market worldwide, establishing ourselves as the number one player. Their global perspectives have helped facilitate our expansion in our core geographies, the success of which is reflected in the continued strong performance of the business. We remain committed as a management team to our ambitious growth strategy and look forward to the opportunities that lie ahead with Lone Star."





Sutton Fields, Hull, England

# Investcorp makes **first real estate acquisitions in Europe**



Neil Hasson

**I**n October 2017, Investcorp successfully completed its first European real estate portfolio following the acquisition of seven additional assets to add to the two that it acquired earlier this year.

The completion of the Firm's debut portfolio – its UK Industrial and Logistics portfolio – is the first step in the Firm's ambition to build on its success in the US, where it is one of the biggest international real estate investors. The European strategy, which aims to create a portfolio of income generating assets

for investors, was launched in 2016. Following this acquisition, Investcorp's European real estate investment activities exceed \$100 million.

Investcorp will continue to explore multiple other European strategies, targeting income generating assets across various sectors and European geographies.

Commenting on the investment, Neil Hasson, Managing Director of Real Estate - Europe at Investcorp, said: "As we embark on our next phase of growth, I am pleased that our European real estate team is making significant progress in building out its property portfolio. This deal is further evidence of the momentum we are creating in this important pillar of our growth strategy. The strength of our global network combined with our local expertise provides Investcorp with a leading edge in sourcing and originating real estate deals across Europe, providing the potential for long-term attractive returns for our investors."

Investcorp's third real estate transaction in Europe consists of a portfolio of seven industrial properties across the UK, for a total purchase price of approximately £40m. The portfolio of properties forms part of Investcorp's UK Industrial and Logistics programme, which made its first acquisitions in June of this year. The new investment consists of single- and multi-let assets in the UK industrial and logistics sectors.

The portfolio comprises of approximately 700,000 sq ft across three single let distribution warehouses and four multi-let light industrial properties. The properties are located in High Wycombe, Leeds, South Elmsall, Liverpool, Warrington, Glasgow and Edinburgh, have a high current occupancy rate with over 40 tenants including some well-known, long established companies.



Investcorp grows residential real estate portfolio with

# \$350 Million investment in Florida and Arizona



Montevista at Windermere, Orlando, Florida

Investcorp's U.S.-based real estate arm invested in six multifamily properties in Florida and Arizona, for a total purchase price of approximately \$350 million. The properties are located in key growth markets with strong fundamentals in the multifamily space.

Babak Sultani, Real Estate Product Specialist at Investcorp, said: "Our commitment to U.S. residential real estate continues to serve our clients well. Underscoring our confidence in the U.S. real estate market and economy, over the past 18 months, we have invested in real estate transactions valued at more than \$1.8 billion. As we continue to focus on the Firm's growth, real estate investing will play an important role."

Highpoint Club and Montevista at Windermere are two apartment communities, which combined have 708 units. These properties are located within two different submarkets of the Orlando, Florida metropolitan area, a market that is expected to see population, employment and GMP growth rates among the top five in the U.S. over the next five years. According to the U.S. Department of Labor, the Orlando metropolitan area was one of three metropolitan areas to experience the highest year-over-year percentage increase in employment in

the country, at 3.2 percent as of August 2017. The Orlando multifamily market has benefited from a low vacancy rate and solid rental rate growth over the past several years, and these trends are expected to continue.

Aqua Deerwood is a 616-unit, garden-style apartment complex located within the dense, high-income Southside/Bay Meadows submarket of Jacksonville, Florida. This location has seen strong growth due to its proximity to employment hubs as well as entertainment and higher education. The apartment complex is across the street from Deerwood Office Park, which houses a large concentration of companies including Florida Blue, Merrill Lynch, United Healthcare and Fidelity Bank. Also boosting the area's population growth are underlying fundamentals such as no state income tax, a low cost of living, and a favorable climate. Jacksonville is the fourth largest metropolitan area in the state and the tenth for population growth in the entire country.

Arcadia Cove, Tuscany Palms and Midtown on Main are three for-rent multifamily properties located in infill locations in the Phoenix metropolitan area. Combined, these properties have 1,486 units. Phoenix remains a high growth market with growth fueled



Babak Sultani

by an affordable cost of living, high-quality transportation infrastructure, and a business friendly environment. Over the past few years, the Phoenix-Mesa-Scottsdale metropolitan area has ranked third in the U.S. for employment growth and number one in population growth. In the past year, employment has expanded with the addition of 10,400 jobs, while the professional and business services sector added 9,400 jobs. The region is projected to experience some of the highest rental rate growth in the country over the next five years, particularly as population, employment and household growth outpace new units of supply.



# Investcorp establishes Italian Non-Performing Loans Portfolio



Nick Vamvakas

Investcorp Alternative Investment Solutions (“AIS”) recently partnered with Eidos Partners to establish a \$140 million portfolio investing in Italian non-performing loans (“NPLs”). AIS has a history of identifying and investing in special opportunities across a diverse set of investment themes, including in distressed credit and corporate restructurings, commercial mortgage-backed securities and non-performing loans across different countries.

Eidos Partners’ Milan-based investment team sources NPLs with attractive collateral from regional banks using a wide network of local experts, performs line-by-line due diligence and seeks to acquire the loans at significant discounts. A specialized work-out process (leveraging real-time monitoring of each loan’s associated collateral

status as it moves through the recovery process) is used to extract value from these NPLs. The Eidos team focuses on opportunities in northern Italy, home to more than 50% of Italian NPLs and where a more efficient court system leads to a faster recovery process than in southern Italy.

Investcorp believes the following conditions are favorable to this investment strategy:

- **Large inventory:** Italian NPL inventory on bank balance sheets has quadrupled from €43 billion in 2008 to over €197 billion<sup>1</sup> in December 2016.
- **Italian banks must clean up balance sheets:** Italian banks must reduce Risk-Weighted Assets to comply with European Central Bank CET1 ratio targets and reinstate lending businesses.
- **Resilient real estate market:** Italy has quality real estate collateral and significant support from reallocations of domestic savings away from Italian government bonds. In 2016, the volume of Italian real estate sales registered an 18% increase over 2015.
- **High barriers to entry:** A complex recovery process, privileged local

relationships and a limited number of specialty service providers can hinder newcomers’ ability to source quality loans and extract value in a timely manner.

Eidos Partners follows a differentiated, “boots on the ground” approach to sourcing loans directly from regional Italian banks. Sourcing loans directly from CEOs and CFOs of regional Italian banks can be less competitive, is relationship driven, and allows for the potential to purchase them at deep discounts to their underlying value.

Eidos is led by CEO Riccardo Banchetti who has over 25 years of experience in fixed-income markets, including 15 years of experience sourcing and investing in real estate and NPL assets in Italy. Mr. Banchetti joined Lehman Brothers in 1992, eventually becoming the Co-Chief Executive of Lehman Brothers in Europe and Middle East. At Lehman Brothers, Riccardo and his team invested €6 billion in real estate NPLs. Post-Lehman, Mr. Banchetti acquired Eidos Partners, a financial boutique in Milan, in 2009. As the CEO of Eidos, Mr. Banchetti has advised on more than €18 billion of NPL portfolios.

<sup>1</sup>Source: PwC, The Italian NPL market, July 2017

Italian NPLs is another example of how the AIS team has successfully sourced unique, uncorrelated investment opportunities for our clients and executed through a top-tier manager





# Investcorp Credit Management

In March 2017, Investcorp established a new credit management arm - Investcorp Credit Management ('ICM') - following the acquisition of 3i Group's Debt Management business. The subsequent transition has very much been a case of 'business as usual', with no change to the functions of ICM, including bank and sponsor relationships, deal origination, operations and investment processes. Jeremy Ghose, the Global Head of

ICM, said, "ICM's integration has progressed well and we have become the proud fourth pillar of Investcorp, a remarkable and unique business. We wholeheartedly share Investcorp's commitment to deliver superior risk adjusted returns, competitive products and an exceptional client service. With their support, we look to the future ambitiously and will further develop our position as a leading global alternative credit manager."

Investcorp has committed significant capital to support ICM's long-term success. The firm has ensured strategic oversight of the business in a number of ways, including sharing resources, such as HR, Tax, Finance and IT. Both Jeremy Ghose and the Head of ICM US, John Fraser, are members of Investcorp's Operating Committee.

## Global CLO Activity

Loan and CLO issuance in both North America and Western Europe remains robust year-to-date in 2017 and is on track to exceed 2016 levels. ICM continues to be a strong issuer of CLOs and the total year-to-date CLO activity in 2017 stands at approximately \$4.8 billion.

Since the transaction closed in March 2017, two new CLOs have been issued. The team in Europe closed a new CLO, Harvest XVII, at €408 million, in May 2017. In addition, the US team also priced a new US CLO, Jamestown X, a \$612 million deal, which closed in July 2017.

During the same period, ICM's US team also refinanced three CLOs and ICM Europe worked upon four resets and two refinancings. The European team have now refinanced or reset all 2013-2015 vintage deals that have gone through their non-call period.

## ICM YTD CLO Activity: September 2017

Deal	Type	Date	Amount (\$m)	Region
Harvest CLO VIII	Refi	Jan-17	330.6	Europe
Jamestown CLO V	Refi	Mar-17	327.0	US
Harvest CLO VII	Reset	Apr-17	318.9	Europe
Harvest CLO XVII	New Issue	May-17	471.6	Europe
Jamestown CLO III	Refi	May-17	406.7	US
Harvest CLO XI	Reset	Jun-17	419.8	Europe
Jamestown CLO X	New Issue	Jul-17	612.3	US
Jamestown CLO VI	Refi	Jul-17	480.0	US
Harvest CLO X	Refi	Jul-17	427.1	Europe
Harvest CLO IX	Reset	Aug-17	540.8	Europe
Harvest XII	Reset	Sep-17	426.6	Europe
<b>Total</b>			<b>\$4,761.4</b>	

Source: ICM

\*FX conversion rate (USD/EUR) July 2017

## Open Ended Loan Funds

ICM manages two open ended funds, the ICM Senior Loan Fund and the ICM Global Floating Rate Income Fund, both of which invest in a diverse portfolio of primarily senior secured floating rate corporate credit assets. Since the

transaction close, the AUM for both funds has remained stable and investors proved receptive and encouraged by the move to Investcorp. As at 29 September 2017, the net return of the ICM Global Floating Rate Income Fund USD share

class since inception, in 2015, is 4.38%. And, the net return of the ICM Senior Loan Fund since inception, in 2009, is 6.74%.





Elena Rangelova

## Investcorp celebrates US growth at second **annual event** **in New York**

On October 4, 2017, Investcorp held its second annual U.S. event in New York City. The dinner was a successful celebration of the Firm's robust growth trajectory and expanding footprint in the U.S. and was attended by top representatives across the financial, legal, consulting and media industries, including key investors and Investcorp alumni.

Mohammed Alardhi, Executive Chairman of Investcorp, commenced the event with remarks focused on Investcorp's global business growth and continued investment in the U.S., noting that "the last twelve months have been an exceptionally exciting time in the Firm's history."

Mr. Alardhi noted the significant portfolio acquisitions made across U.S. residential and commercial real estate, spotlighting the team's recent investment in six multifamily properties in Florida and Arizona for a purchase price of \$350 million. Over the last 18 months, the team has invested \$1.8 billion across industrial and residential properties in the U.S.

"We appreciate the fundamental strength of the U.S. economy and the opportunities it has provided our business, and are pleased to contribute to its growth as well. We are committed to continued investment here as a core element of our future growth plans," concluded Mr. Alardhi. "We have evolved from our historic reputation as

a bridge for Gulf investors to investment opportunities in the West to become a global firm that offers alternative investment solutions across the globe."

Additionally, in fiscal year 2017, Alternative Investment Solutions saw \$538 million of inflows and advisory mandates in the U.S. and Corporate Investment retained its position as a leading player in middle-market corporate investing through investment in growth-oriented U.S. companies.

In light of Investcorp's recent successes, Mr. Alardhi and the team reaffirmed that the strength of the U.S. economy continues to provide top-quality investment opportunities for the Firm.





From left: John Defterios, Khalid Al Rumaihi, Hala Fadel and Hazem Ben-Gacem

Investcorp co-sponsors

# Innovation Forum Bahrain

with Economic Development Board



Fahad Murad

Forum featured an international lineup of experts in disruptive technologies

In September 27 and 28, 2017, Investcorp partnered with MIT Enterprise Forum Pan Arab and Bahrain Economic Development Board (EDB) to host the MIT Innovation Forum; a two-day event that brought together entrepreneurs, investors, and researchers to discuss the latest trends in disruptive technologies. Key topics covered were artificial intelligence, cybersecurity, financial technology, autonomous driving, and cloud computing.

Fahad Murad, Managing Director at Investcorp, said: "Investcorp holds a strong belief in the power of innovation and creativity in driving economic and social development. Our partnership with the MIT Enterprise Forum Pan Arab and Bahrain Economic Development Board (EDB) is just another testament to our ongoing commitment to fostering a culture of innovative collaboration in Bahrain and the wider Arab region. We were pleased to sit alongside some of the world's innovation and

entrepreneurship leaders to discuss the latest on disruptive technology, and understand the impact of emerging trends like FinTech and cyber security on the regional business landscape."

From Investcorp, Hazem Ben-Gacem, Head of Corporate Investment - Europe, joined representatives from MIT EFPA and EDB to give the welcome remarks. Addressing over 500 attendees, Hazem reinforced Investcorp's commitment to promoting a culture of innovation and knowledge sharing in the Arab world.

Gilbert Kamieniecky, Managing Director at Investcorp, focusing on technology investments in Europe, hosted a group of CEOs from Investcorp's portfolio companies where they shared their experience in brand protection and the growing trend of cloud computing.

The MIT Innovation Forum was attended by representatives from global firms, including Amazon Web services, Yale University, as well as some of the region's top players in the tech industry.



# CEOs conference in Arizona



**C**orporate Investment North America (CINA) hosted a dinner and a one day conference for its portfolio companies' CEOs at the Sanctuary Resort in Paradise Valley, Arizona on October 10 and 11, 2017.

The conference was attended by more than 60 professionals including ten current and former portfolio company CEOs.

The dinner was opened with a welcome speech by Dave Tayeh, Head of CINA, who spoke about Investcorp's investment philosophy and recent successes. "In the U.S., Europe and MENA, our core private equity business has invested more than \$1.5 billion over the past three years, more than half of which has been in the U.S.," noted Mr. Tayeh. "We have furthered our geographic footprint and reach as a truly global institution and have plans to increase our fundraising capacity in each of the major markets going forward."

"Although our investments have a natural lifecycle, our relationships are everlasting," said Co-CEO Mohammed Al-Shroogi. "I feel privileged that many of the portfolio company CEOs that have partnered with us have continued with us as advisors on other investments, full time Advisory Directors, or as valued full-time members of Investcorp."

David Rosenberg, Chief Economist at Gluskin Sheff, joined as a guest speaker during dinner.

The one-day conference included relevant panels and speeches on Equity Value Creation, Digital Transformation and how to market to Millennials and the Generation Z population. John Foley, former Lead Blue Angels Solo Pilot delivered the keynote lunch address on Activating High Performance for Teams.

# New Advisory Directors program

**C**orporate Investment North America (CINA) recently revamped its Advisory Director (AD) program.

In the past, CINA has relied on various external Advisory Directors with specific horizontal skills such as marketing or finance. Going forward, the CINA team is creating a board of advisors that will be comprised of current or former CEOs whose collective industry experience covers the six industry verticals the team covers – Consumer & Retail, Tech-Enabled Services, Knowledge and Professional Services, Data & Information Services, Industrial Services and Supply Chain Services.

The Advisory Directors are seasoned corporate executives who have worked in major industrial enterprises and have

highly successful track records in their respective fields.

The Advisory Directors will work with Investcorp exclusively for a two year period, and will focus primarily on the deal sourcing function including: i) sharing their rolodex with Investcorp sector leaders; ii) developing/ articulating potential acquisition ideas, angles and names of specific targets; iii) finding and sharing leads on potential transactions; and iv) reaching out to targets and setting up meetings. In addition, they will support the CINA team in various capacities such as industry networking, industry expertise and board level participation.

The Advisory Director program's current members are: Gary Appel (Private

Equity Specialist), Michael Bernstein (Distribution Specialist), Jack Freker (Tech-Enabled Services Specialist), Sunny Gosain (Tech-Enabled Services Specialist), Dick Jalkut (Telecom & Media Specialist), Woody McGee (Distribution Specialist), Angelo Messina (Industrial Services Specialist), and Linda Zecher (Knowledge & Professional Services and Tech-Enabled Services Specialist).



Investcorp receives

# international awards for its achievements

Tops two categories in EMEA Private Equity Awards



## ‘Best Private Equity House in MENA 2017’ by Banker Middle East

In June, Investcorp was awarded “Best Private Equity House in EMEA” and the “Best Private Equity Exit in EMEA”, for the exit of UK-based food manufacturer Tyrrells at the EMEA Finance Achievement Awards in London. Earlier in May, Investcorp was named the ‘Best Private Equity Firm in MENA’ at the Banker Middle East Industry Awards 2017, which took place in Dubai.

These awards come following a very successful period for Investcorp and

its clients, which saw the Firm double its assets under management to approximately \$22 billion, and make distributions to Investcorp and its clients totalling \$1.1 billion in the six months to 31 December 2016, a 123% increase over distributions in the same period the previous year.

On receiving the awards, Investcorp’s Co-CEOs, Mohammed Al-Shroogi and Rishi Kapoor, said: “We are delighted to receive these awards which highlight the excellent work our team is doing, globally. We have a long history of successes which we are proud of and we look forward to continuing to produce excellent results for our clients.”

The first six months of 2017 has seen Investcorp build on its 2016 achievements. In March, the Firm announced the completion of its

acquisition of the 3i Group Debt Management Business, an \$11 billion AuM business, renaming it Investcorp Credit Management and adding a leading global credit investment platform to its client offering. Investcorp has also seen a number of significant investments in Europe including ABAX, a leading European based telematics company; Ageras, a rapidly growing European online marketplace, which is an investment by Technology Fund IV; Agromillora, the leading global developer of high yielding plants and trees; and Calligo, a fast growing provider of cloud solutions, and which is also an investment by Technology Fund IV. The Firm has also distributed \$454 million to itself, co-investors and clients in 2017 following the partial exit of PRO Unlimited.





Investcorp holds exclusive workshop for members of

# Dubai Business Women Council



Our deep understanding of the changing dynamics of the GCC market, together with our global expertise and experience, have allowed us to establish a strong market position

In October 2, 2017, Investcorp held an exclusive workshop for the members of Dubai Business Women Council (“DBWC”) entitled “Preparing your business for sale”.

The workshop, hosted by Walid Majdalani, Co-Head of Corporate Investment – MENA, at Dubai Chamber of Commerce and Industry’s head office, provided a detailed overview on the full investment process, drawing on Investcorp’s extensive investment experience over the past 35 years. It also touched upon the business landscape

in the GCC and the opportunities that financial investors have in a region where 80% of all firms are family owned.

Addressing DBWC’s members, Majdalani said, “In a region dominated by family businesses, we believe that there is a significant opportunity for financial investors to help these businesses embark on the next phase of their growth. Preparing companies for sale is an exciting and rewarding challenge. It is a lengthy process that requires a lot of preparatory work throughout the investment life cycle in order to make

sure that the investment as a whole is ready for an exit over a period of time.”

This is the first of many workshops that Investcorp is organising for DBWC’s members, and the third of a series of seminars in association with the Dubai Chamber of Commerce and Industry as part of the Memorandum of Understanding the two institutions signed in 2016.

## Strategic hires

Investcorp has recently welcomed a new Managing Director, Mark Horncastle, as General Counsel, as part of its ongoing efforts to cement its capabilities across the different business lines.

Mark joins Investcorp following 17 years at GE Capital, where he started as General Counsel for GE’s Private Equity business in 2000 before moving into GE Commercial Finance in 2004 and becoming Head of the European M&A Legal Team in 2009.

Mark became General Counsel for Europe 2011, General Counsel for GE Capital Real Estate in 2015, and finally General Counsel for GE Capital International in 2016.

Mark started his legal career with eight years at Freshfields in London, having achieved an MA (Hons) in Law from Cambridge University, and completed his Law Society Finals at the College of Law, York.



Mark Horncastle



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

Investcorp House  
PO Box 5340  
Manama  
Kingdom of Bahrain  
Tel: +973 17 532 000  
Fax: +973 17 530 816

**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 4700  
Fax: +1 212 983 7073

**INVESTCORP  
SAUDI ARABIA**

Al Faisaliah Tower  
29<sup>th</sup> Floor  
P.O. Box 61992  
Riyadh 11575  
Kingdom of Saudi Arabia  
Tel: +966 11 484 7600  
Fax: +966 11 273 0771

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

AlSila Tower - 8<sup>th</sup> floor  
Abu Dhabi Global Market Square  
Al Maryah Island  
P.O.Box 36961  
Abu Dhabi  
United Arab Emirates  
Tel: +971 2 501 8900  
Fax: +971 2 644 1566

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

Qatar Financial Centre -  
Tower 1  
West Bay Area  
P.O. Box 24995  
Doha  
State of Qatar  
Tel: +974 4496 7966  
Fax: +974 4496 7960

**INVESTCORP ASIA  
SERVICES PTE LTD.**

Level 24-01, CapitaGreen  
138 Market Street  
Singapore 048946  
Tel: +65 66796032  
Fax: +65 6697 6097