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PRIVATE EQUITY



Kimmeridge's Neda Jafar Discusses Fundraising | Banks Balk at New Capital Requirements

By Ted Bunker

Good day! Today our Luis Garcia offers a peek into **Kimmeridge** fundraising leader **Neda Jafar**'s approach to the difficult task of coaxing millions of dollars out of institutional investors to back oil and gas companies in the face of rising climate concerns and poor financial results for many industry participants. She has relied on resilience and a readiness for opportunities when they knock.

Also, our Barron's colleague Joe Light takes a look at new **capital requirements** that may be imposed on U.S. bankers. The biggest lenders and their Washington lobbyists say unless the coming rules are loosened, they may crimp vital lines of credit. But private-equity firms may find opportunities in that event.

We have these and many more stories condensed and linked for you below, so **please dive in...**

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Today's Top Stories



Neda Jafar leads fundraising for Kimmeridge, a private-equity firm that invests in oil and gas assets.
PHOTO: MATT GREENSLADE / PHOTO-NYC.COM

Neda Jafar, a partner at **Kimmeridge Energy Management** who leads fundraising for the private-equity firm, recently did something that is becoming increasingly difficult in the energy industry. She helped convince investors to commit more than \$1 billion to back oil and gas businesses, [Luis Garcia writes for WSJ Pro Private Equity](#). The New York firm collected that amount for Kimmeridge Fund VI, [wrapping up fundraising](#) in July for what turned out to be the largest pool in the firm's 11-year history. Jafar recently discussed her rise in private equity and offered some advice for young women just starting out as industry professionals.

Banks are up in arms about **new capital rules** they say will clamp down on their ability to offer mortgages, small-business loans and other forms of credit to Americans, as Joe Light writes for sister publication Barron's. The leaders of top bank regulatory agencies are indicating they might [grant some relief](#) to the biggest U.S. banks, at least at the margins. While bankers and their Washington lobbyists predict a severe crimping of credit under the proposed rules, it is more likely lenders not affected by the proposal, such as **private-equity firms**, would take up the slack.

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Big Number

€4.9 Billion

The [amount invested](#) in top-tier European soccer clubs last year, up from €66.7 million in 2018, according to research provider

PitchBook Data.

Deals



EQS operates from its headquarters in Munich. PHOTO: PETER KNEFFEL / ZUMA PRESS

Thoma Bravo is in [advanced negotiations](#) over a €40 per share take-private offer for investor relations, compliance and sustainability reporting company **EQS Group**, which would give the business an equity value of roughly €400 million, or \$434.8 million. The Munich-based cloud-based services provider announced the negotiations late Wednesday, after trading had concluded in Frankfurt, with EQS shares closing at €26.20 each. In August, the company reported a [16% gain](#) in first-half revenue to €33.7 million while adjusted pre-tax earnings more than doubled to about €3.5 million.

Buyout firm **KKR & Co.** in New York said it [has increased](#) its commitment to **Malteries Soufflet** to support its acquisition of **United Malt Group** for 1.5 billion Australian dollars, or about \$976.3 million, investing alongside **InVivo Group**, which acquired Malteries in 2021. KKR, **Bpifrance** and **Crédit Agricole** joined InVivo as backers of Malteries with a €440 million investment, or about \$478.7 million, in December 2021. The three committed €550 million as a follow-on investment to support the United Malt acquisition, according to a news release. The company operates 11 plants in North America, Europe and Asia to supply malting barley to brewers and distilleries.

Spectrum Equity in Boston [is backing](#) electric-vehicle battery-focused research and publishing company **Benchmark Mineral Intelligence**, acquiring a 20% stake at a valuation of [nearly \\$500 million](#), according to

Reuters and industry publication MotorMouth. The capital infusion is expected to help the London-based company expand.

Gemspring Capital Partners in Westport, Conn. said it [has acquired](#) residential fencing company **Fenceworks**. The Riverside, Calif.-based company has around 500 employees and provides design, materials and installation services from 15 locations across California, according to a news release.

Kingsway Capital in London led a [\\$110 million growth investment](#) in cryptocurrency company **Blockchain.com**, joined by **Baillie Gifford** and many other investors, according to a blog post by the company. London-based Blockchain said almost a third of all bitcoin transactions have gone through a company-managed digital wallet.

Manulife Investment Management said it has [agreed to acquire](#) London-based alternative credit firm **CQS**. Founded in 1999, CQS managed some \$13.5 billion as of Oct. 31 and offers investments across credit strategies that include corporate and structured credit, asset backed securities, collateralized loan obligations and regulatory capital.

The roughly \$1.3 billion take-private transaction for specialty-chemicals and coatings supplier **Chase** by **KKR & Co.** for \$127.50 per share [has closed](#), according to the Westwood, Mass.-based company. The cash deal was [announced in July](#) at a price that implied a valuation of [13 times](#) trailing adjusted pre-tax earnings for the previous 12 months.

Flexpoint Ford in Chicago said it is [investing in](#) **GoldState Music**, a startup that acquires copyrights and sound recordings from active artists and producers. Founder **Charles Goldstuck** described his firm as offering a way for musicians to monetize their music assets while focusing on creative pursuits and said Flexpoint's backing will accelerate the firm's strategy. Flexpoint said it is backing the business through its **Flexpoint Asset Opportunity Fund II**.

Neuberger Berman in New York said its capital solutions arm led a [recapitalization](#) of workplace environmental health and inspections services provider **Health & Safety Institute**, joining existing majority investor **Waud Capital Partners** in backing the business with a minority investment. Chicago-based Waud first backed the Frisco, Texas company in August 2019, according to its website.

Growth investor **Washington Harbour Partners** in Arlington, Va. said it [has acquired](#) cybersecurity contractor **Sixgen**. The Annapolis, Md.-based company supplies products and services to government agencies, military and commercial customers, according to its website.

Pamlico Capital in Charlotte, N.C. [is backing](#) outsourced accounting services company **Your Part-Time Controller** with a growth investment. The Philadelphia-based company has more than 600 professional employees and supplies its services to more than 1,700 nonprofit organizations across the U.S., according to a news release.

Caymus Equity Partners in Atlanta said it [has acquired](#) remediation specialist **Quality Environmental Services**, investing through its **Caymus Equity Partners Fund II**. The Beaverton, Mich.-based company focuses on healthcare and education facilities and provides services such as mold treatment and asbestos abatement, according to a news release.

Add-On Deals

NOVEMBER UPDATE

97 new deals

Industrial goods and services was a busy sector for add-on transactions during the first half of November, with 13 deals tracked.

Portfolio companies of Ancor Capital Partners, H.I.G. Capital, Peak Rock Capital and Trivest Partners participated in deals.

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Exits

Firms including **Dragoneer Investment Group**, **Genstar Capital** and **SkyKnight Capital** participated in a [\\$1 billion purchase](#) of equity interests in portfolio company **Amwins Group**, a wholesale insurance broker in Charlotte, N.C., investing alongside employees of the company, according to a news release. The interests were acquired from more than 375 Amwins employees and Canada's **Public Sector Pension Investment Board**, based in Ottawa.

Funds

Lower midmarket-focused **L Squared Capital Partners**, a firm co-founded by former professionals from **Chicago Growth Partners**, said it [has raised](#) \$840 million for its [newest fund](#). Commitments to **L Squared Capital Partners IV** came in well above a \$505 million predecessor fund,

which the firm closed in 2020. L Squared aims to make eight to 10 new platform investments with Fund IV, according to a news release. The firm said it currently manages around 10 platform companies backed through earlier funds.

BlackRock said it has raised nearly \$1 billion so far for its **Evergreen Infrastructure** fund from European investors that include Italian bank **Intesa Sanpaolo** and **Inarcassa**, a pension fund for architects and engineers in Italy. The fund is an open-ended investment vehicle targeting infrastructure investments in Europe and North America, particularly ones that drive energy transition and energy security. The firm aims to have 50% to 60% of the fund's holdings in Western Europe, according to an emailed news release. It has already committed to its first deal, backing a U.S. commercial and industrial solar and battery business that the firm didn't name.

People

Novacap in Montreal said it has appointed **David Armstrong** as a partner in its Toronto office. He joins from **Onex**. The firm also added **Ryan Thom** as a principal and **Paul Traut** as a vice president, both in New York.

Industry News



Owner Mat Ishbia at a Phoenix Suns game earlier this year. CHRIS CODUTO / GETTY IMAGES

Mat Ishbia, the billionaire investor and brother of **Shore Capital Partners** founder **Justin Ishbia**, is applying the same unconventional approach that has [brought him success](#) in mortgage lending to his ownership of the National Basketball Association's Phoenix Suns, Ben Eisen and Robert O'Connell write for the Journal. The two brothers acquired the Suns earlier this year.

Intermediate Capital Group said it collected \$5 billion in new investment assets across private equity, credit, debt and real assets strategies during its [fiscal first half](#), bringing its assets under management to \$81 billion as of Sept. 30, a 12% increase from a year earlier. The firm run from London posted a 7% decline in management-fee income to £233.9 million, or \$292.4 million, for the period while performance-fee income

came to £29.3 million for the period ended Sept. 30. The firm said pre-tax profit for the half rose to £241.9 million, or 71.5 pence per share. ICG also said it aims to have raised at least \$40 billion over a three-year period ending next March.

Clairvest Group in Toronto posted a net [investment loss](#) of almost 46.8 million Canadian dollars, equivalent to \$34.1 million for the third quarter, citing a drop in the value of its gaming investments in India resulting from a change in tax policies for the online activities. The firm posted a net loss of almost C\$44 million, or C\$2.95 a share, compared with net income of C\$40.1 million, or C\$2.66 a share, in the year-ago period. Clairvest said in August it closed its seventh flagship fund with \$1.2 billion, including a \$300 million contribution from the firm itself.

Blackstone-backed foreign exchange company **Currencies Direct Holdings** in London has changed its name to **RedPin Holdings** and [started a business](#) designed to handle residential property payments, according to U.K. government filings and news releases. Majority owned by **Palamon Capital Partners** and **Corsair**, the new business is led by **Arnaud Loiseau** as chief executive and aims to provide embedded software and payments systems used in property management and transactions. Blackstone [committed £140 million](#), or about \$173.8 million, to Currencies Direct in March 2022 as a minority investor through its tactical opportunities strategy.

Apollo Global Management and the **Onyx** blockchain unit of **JPMorgan Chase's** J.P. Morgan business [are collaborating](#) with **Axelar**, **Oasis Pro** and **Provenance Blockchain** under **Project Guardian**, which was set up by the Monetary Authority of Singapore, to show how the distributed ledger technology can be used to manage client assets, including trading of tokenized financial units. Apollo and J.P. Morgan's Onyx Digital Assets team led development of a demonstrator system for fund and wealth managers to use the technology in managing and trading tokenized funds and assets, according to a news release.

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