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Investcorp And ADDX Tokenise US Real Estate Fund, Embark on New Alternative Investment Partnership

Partnership will deliver opportunities to end-investors seamlessly and in fractional sizes; first product sees minimum investment reduced by 25x due to efficiency of digital securities

SINGAPORE, 19 AUGUST 2021 – Investcorp, a leading global provider and manager of alternative investment products, and private capital exchange ADDX – formerly known as iSTOX – announced today a long-term partnership to expand the use of digital securities in the alternative investment or private market space. The collaboration promises a more seamless, coordinated delivery of opportunities to end-investors and will benefit accredited corporate and individual investors, offering them easier access to opportunities that traditionally require high minimum ticket sizes.

The first product that was offered under the partnership was a diversified portfolio of US residential properties. The Sunbelt Multifamily Portfolio raised US\$150 million from global investors to be invested in five multifamily¹ apartment complexes at near-full occupancy². The properties are in Texas, Arizona and Georgia, markets experiencing healthy economic and population growth. Following the close of primary subscription³, the fund was listed on the ADDX Exchange for secondary trading in July.

Since 1996, Investcorp has acquired more than 900 properties for a total value of more than US\$20 billion. According to Real Capital Analytics, Investcorp is the 3rd largest cross-border buyer of US real estate and 4th largest cross-border seller, over the full years of 2019 and 2020. The Sunbelt Multifamily Portfolio is the 20th such US fund which has been launched by Investcorp since 2012.

The Investcorp-ADDX partnership could cover a variety of alternative investment opportunities. The two companies will explore possible joint projects in areas such as private equity, real estate, credit management, absolute returns investments, strategic capital, and infrastructure. Investcorp is expanding its Asia footprint, having invested about \$500 million in the continent over the past 18 months, in sectors such as technology, healthcare and consumer consumption. Investcorp could potentially make more opportunities available on ADDX's regulated digital securities platform, which

¹ Multifamily real estate refers to buildings or complexes that serve multiple households in separate units. Examples include an apartment block or a condominium.

² The average occupancy rate across the five residential complexes is currently 95%. The complexes consist of more than 2,200 units altogether.

³ This issuance of digital tokens on ADDX was carried out through a special purpose vehicle company (Prometheus-4 Pte. Ltd.) incorporated for this issuance.

currently serves accredited investors⁴ from 27 countries, spanning Asia Pacific, Europe, and the Americas.

Digital securities, also known as security tokens, make use of blockchain and smart contract technology to automate processes in the life cycle of securities such as equity, bonds, and funds. The innovation reduces the time and cost needed to issue, custodise, and service securities, because actions such as capitalisation table management, dividend and coupon payment and secondary trades can become digital and self-executing. This efficiency makes it possible to offer private market investments in fractional sizes, which allows investors to take part in opportunities previously out of reach due to high minimums. This in turn enables more diversified portfolios. The ADDX Exchange also gives investors the option of cashing out ahead of maturity. Issuers benefit too – from lower issuance cost, faster speed to issuance, and access to a larger pool of capital.

YC Tang, Vice President, Investor Relationship Management, Asia at Investcorp said: “We are pleased to have this partnership with ADDX to provide the segment of underserved investors with an array of diversified alternative investment products through a secure and an efficient platform. The Sunbelt Multifamily Portfolio is the first product we offered under this partnership, and we look forward to potentially offering more through this innovative platform, to meet the demands of a growing global marketplace.”

Oi Yee Choo, Chief Commercial Officer of ADDX, said: “The beauty of this new partnership lies in the fact that Investcorp and ADDX are both experts in the private markets – and yet we do have different geographical and commercial focus areas. When we combine our strengths, there is a fresh dynamism – an exciting, invigorating prospect. Individuals and companies that work with us will have an assurance that their capital is put to work in a smart way and in high-quality products. In the case of the Sunbelt Multifamily Portfolio, the efficiency gains from digital securities meant investors on ADDX could take part in the fund with a minimum amount of US\$20,000 – significantly lower than the US\$500,000 typically required for private real estate funds.”

Ms Choo added: “When we look at the way sovereign wealth funds and large pension funds invest, alternative assets make up a significant and growing share of their holdings because the blend of private and public investments helps to maximise long-term returns. With digital securities enabling fractional sizes, accredited individual investors can now, for the first time, take a similar approach. There is fairer access to economic growth.”

Founded in 2017, ADDX is fully regulated by the Monetary Authority of Singapore (MAS). The financial technology company is backed by Singapore Exchange, Temasek subsidiary Heliconia Capital and Japan government-backed investors JIC Venture Growth Investments (JIC-VGI) and the Development Bank of Japan (DBJ)⁵.

Ends

⁴ The Singapore regulatory regime that ADDX operates under defines an accredited individual investor as an individual whose net personal assets exceed in value S\$2 million (or its equivalent in another currency), or whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least S\$300,000 (or its equivalent in another currency).

⁵ Other ADDX shareholders include Korea’s Hanwha Asset Management, Japan’s Tokai Tokyo Financial Holdings and Thailand’s Kiatnakin Phatra Financial Group.

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About Investcorp

Investcorp is a global investment manager, specializing in alternative investments across private equity, real estate, credit, absolute return strategies, GP stakes and infrastructure. Since our inception in 1982, we have focused on generating attractive returns for our clients while creating long-term value in our investee companies and for our shareholders as a prudent and responsible investor.

We invest a meaningful portion of our own capital in products we offer to our clients, ensuring that our interests are aligned with our stakeholders, including the communities that we operate within, towards driving sustainable value creation. We take pride in partnering with our clients to deliver tailored solutions for their needs, utilizing a disciplined investment process, employing world-class talent and combining the resources of a global institution with an innovative, entrepreneurial approach.

Investcorp has today presence in 12 countries across the US, Europe, GCC and Asia, including India, China and Singapore. As of June 30, 2021, Investcorp Group had US\$37.6 billion in total AUM, including assets managed by third party managers, and employed approximately 430 people from 45 nationalities globally across its offices. For further information, visit www.investcorp.com and follow us @Investcorp on [LinkedIn](#), [Twitter](#) and [Instagram](#).

About ADDX

ADDX is a future-ready capital markets platform set to usher in a new era for fundraising and investment. Through digital securities, ADDX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. ADDX is on a mission to enable all users to transact exactly the way they want to and extend capital market access to a broader segment of the community. ADDX is owned and operated by ICHX, which has been approved by MAS as a recognised market operator (RMO) and has a capital markets services (CMS) license to deal in securities and collective investment schemes and to provide custodial services. For more information, visit ADDX.co.