



**Global Integrator Fund**  
**By Global Integrator Partnership**

Entrepreneurial spirit,  
global corporate background

Internal Document

Dubai, March 2011

# Agenda

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## Global Integrator Partnership: Corporate Overview



Global Integrator Funds: Investments



Global Integrator Partnership: CSR policy



Global Integrator Partnership: Contacts



# GIP a Dubai based company for GCC investors

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## GIP: corporate overview



- GIP is a U.A.E. based firm providing services for the GCC
- Specialized in providing
  - Private Equity investment solutions
  - Advisory services
- GIP offers innovative and hybrid investment opportunities
- Support in Private Equity funds selection
- Fund of fund management



# Indian SMEs offers a large number investment opportunities

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## India: country fundamentals



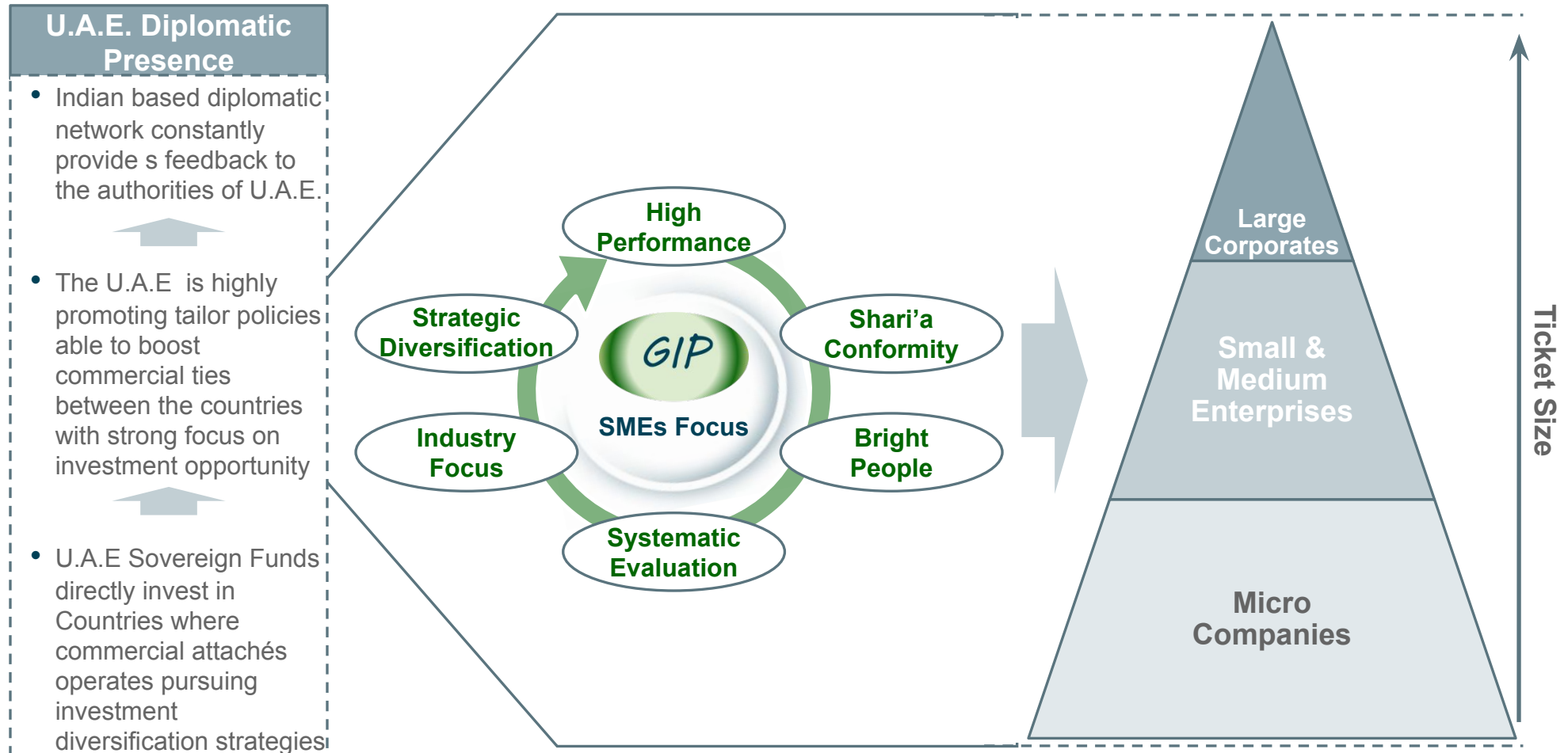
- Vibrant macro economical fundamentals
- Favorable business environment
- Young and fast growing income population
- Business environment
- Macro economical fundamentals
- PE opportunities



# GIF concept leverages on existing opportunities in the field...

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From asset proposal to investment

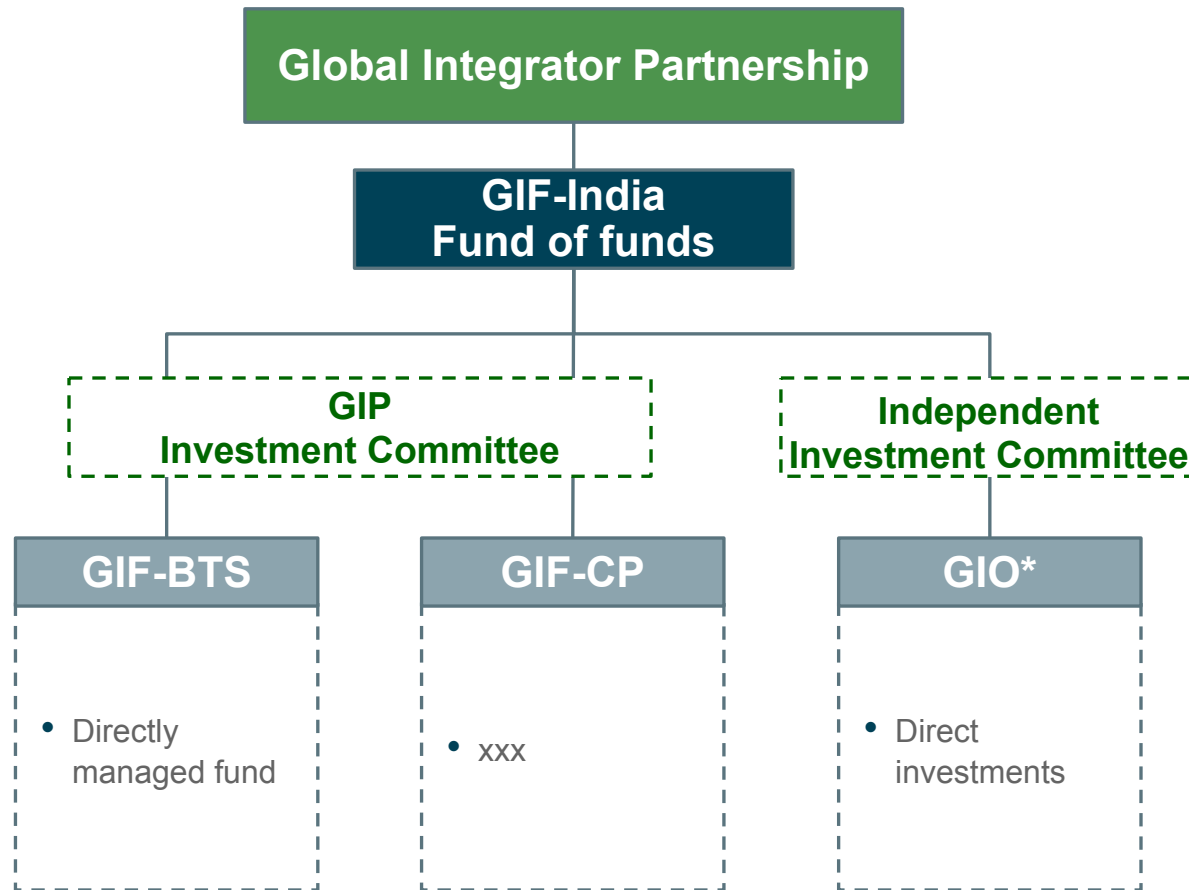




# GIF: an innovative hybrid private equity solution

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## Global Integrator Fund (GIF): concept structure



- GIF pursues diversification strategies in Indian SMEs by investing in multiple vehicles able to cover a wide range of industries
- The Managing Partners of GIP are actively involved in GIO at the operational level
- Partners of GIP\*\* are part of the Investment Committee in the 3rd party funds

\* GIO: GIF India Opportunity

\*\* GIP: Global Integrator Partnership



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 Global Integrator Partnership

 **Global Integrator Funds: Investments**

 Global Integrator Partnership: CSR policy

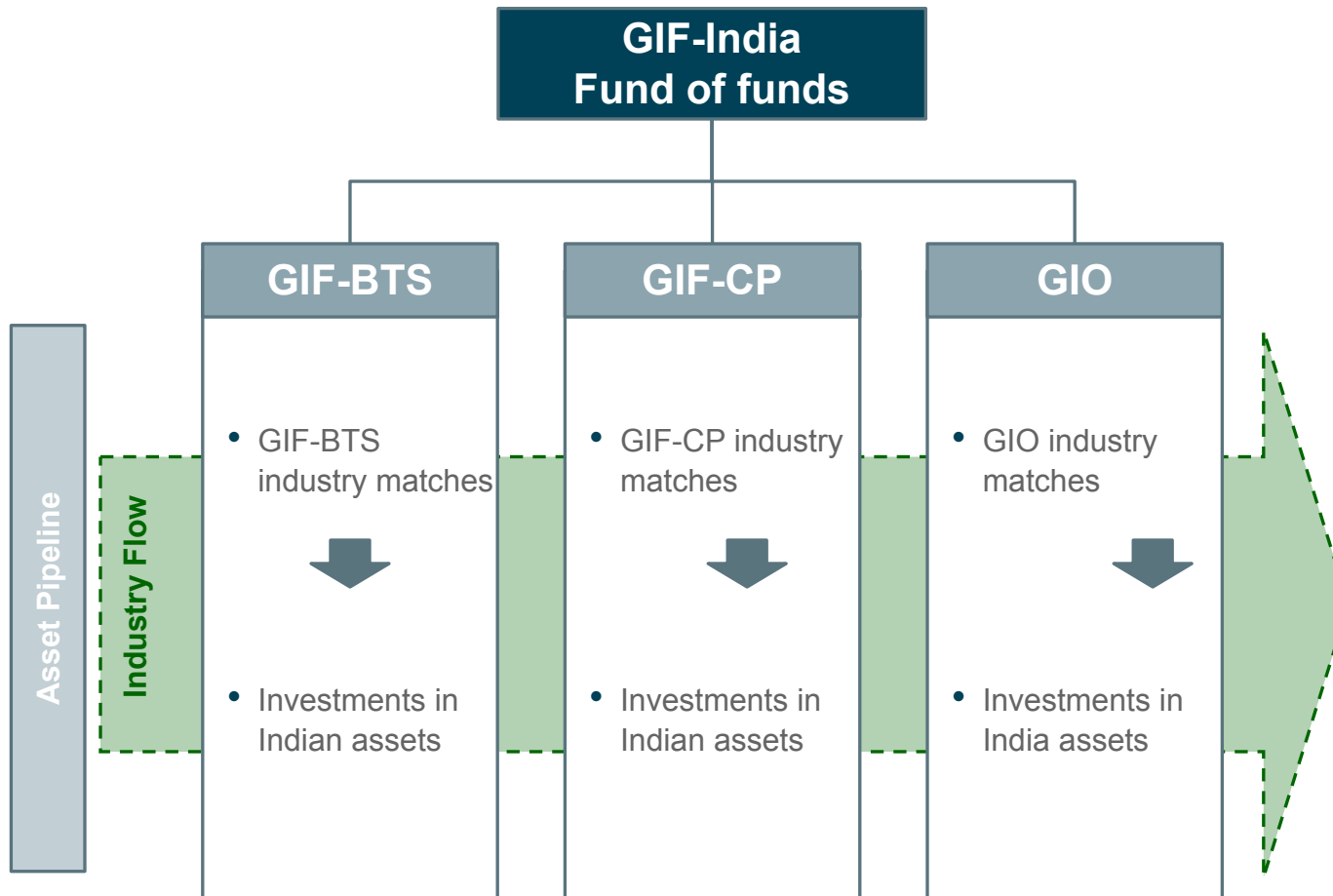
 Global Integrator Partnership: Contacts



# GIF pursues IRR maximization throughout specific industries

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## GIF-India investment structure



- GIO industries:
  - Infrastructure
  - Building Materials
  - Fashion & Luxury
  - Aviation
  - Hospitality
  - Healthcare
- GIF-BTS industries:
  - Pharma
  - Engineering
  - IT & Telecom
  - Energy
- GIF-CP industries:
  - Generalist

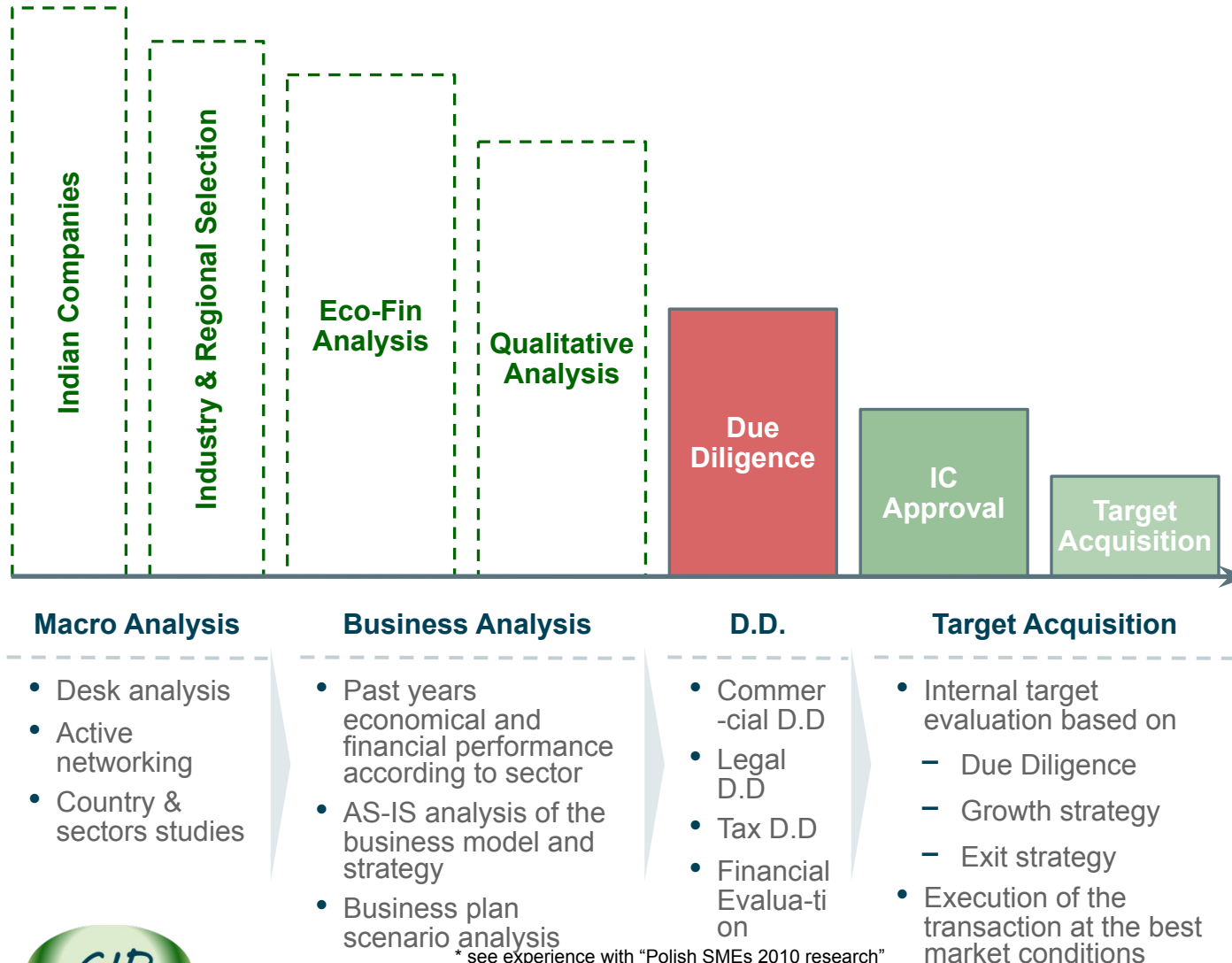




# GIO uses a systematic approach in target selection

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## GIO: systematic asset selection

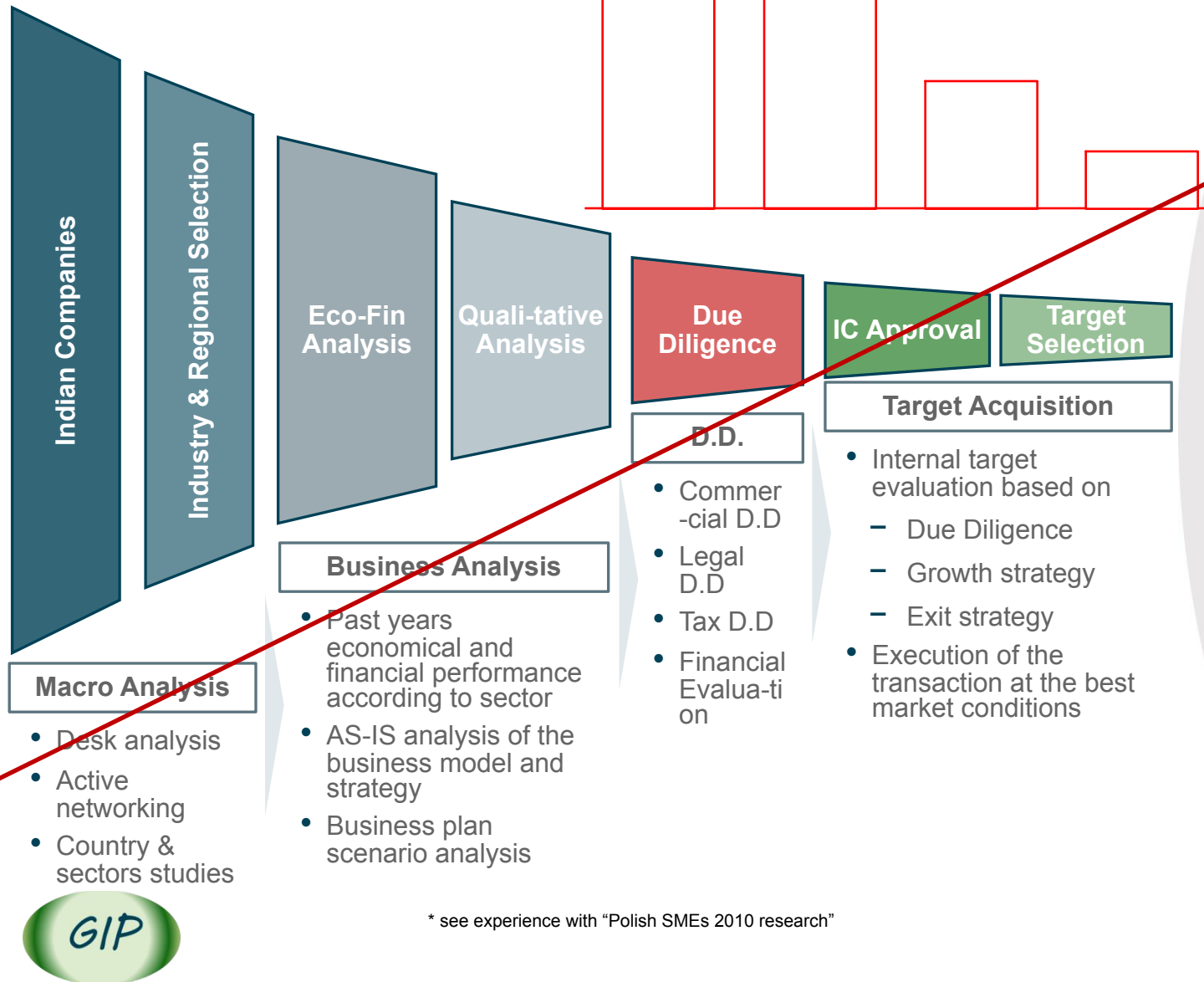


- U.A.E. diplomats and local stuff feed the asset pipe line
- “To know what to look for”:
  - A deep understanding of the Indian and international SME landscape allows the identification of potential winners
  - Structured and systematic method how to asset scout will feed the GIO asset pipeline in the medium-long term\*
- The systematic analysis of potential targets will lead to a master practice able to tailor-make the selection accordingly with GIO’s needs (e.g. add-on strategies)

# GIO uses a systematic approach in target selection

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## GIO: systematic asset selection



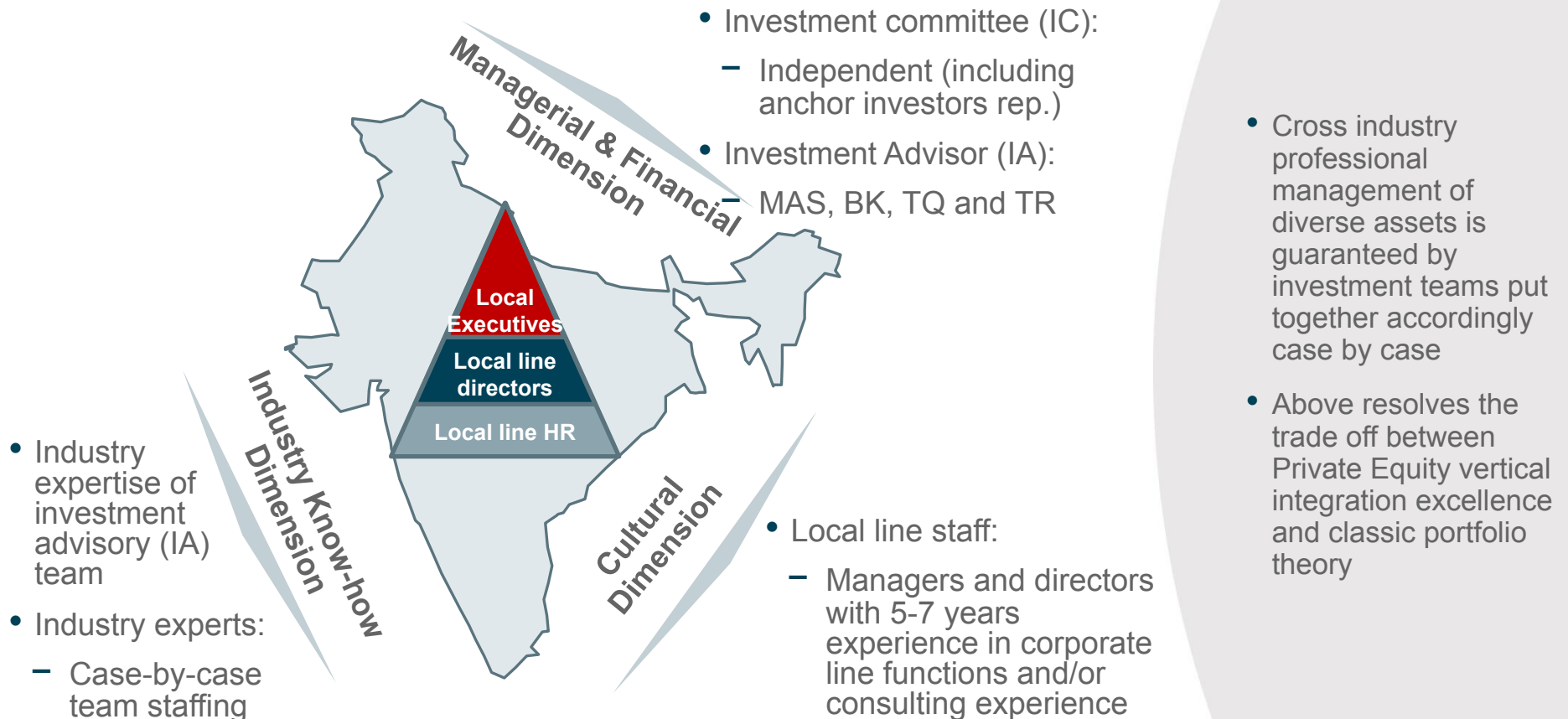
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\* see experience with “Polish SMEs 2010 research”

# GIO local team guarantees cultural closeness

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GIO: “Management-Industry-Culture tripod”



# Proven track record in evaluation and management of SMEs

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## GIO: Managerial & Financial Dimension

### Strategy evaluation

- AS-IS evaluation of the target (strategy, management, etc.)
- Scenario analysis of possible future strategies
- Feasibility analysis of corresponding strategy
- Analysis of the possible exit strategy

### Strategy definition

- Definition of and commitment to the growth path in close cooperation with the existing management
- Preparation of the asset according to exit strategy starting DAY1 of the investment
- x:

### Investment evaluation

- Analytical financial evaluation AS-IS
- Detailed business planning and corresponding evaluation
- Internal pre Due Diligence
- Promotion through Managing Partner

### Investment Management

- Monitoring of the strategy implementation:
  - Economic and financial performance
  - Strategic positioning
- Scouting for synergic add-ons
- Corrective actions in case of underperformance
- x:



- GIO's management is both financial and strategic driven and has matured an extensive international experience
- Focus on economics and the underlining business model
- Optimization of the international dimension:
  - Internationalization of the business model
  - International add-ons
  - International exit



# Investing in Indian SMEs... “It’s people business”

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## GIO: Cultural Dimension

### Institutional network

- Strong institutional and diplomatic network
- Long-standing business relations with Non-Resident Indians (NRIs)
- x:
  - xx

### Business network

- Transfer of local know-how thanks to the cooperation with GIF-BTS and GIF-CP funds
- Industry and financial network to support the identification of the next 3-5 years “most wanted targets”
- x:



Cultural  
proximity

Reliable  
network

### Local Line Directors

- Strong understanding of local managerial and financial drivers
- Managerial experience at the operational business level
- x:

### External consultants

- Top local consultants to support the Due Diligence
- Western consultants with proven track record in India to support the definition of the growth path and the analysis of exit strategies
- Capability in the pre-packaging of assets
- x:
  - xx

- GIO’s management works side by side with local players
- A deep understanding and integration with the Indian culture helps the maximization of the EV
- GIO’s management can leverage on experience in cross-cultural environment

# Intervening at the industry level increases the success probability

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## GIO: Industry Know-How Dimension

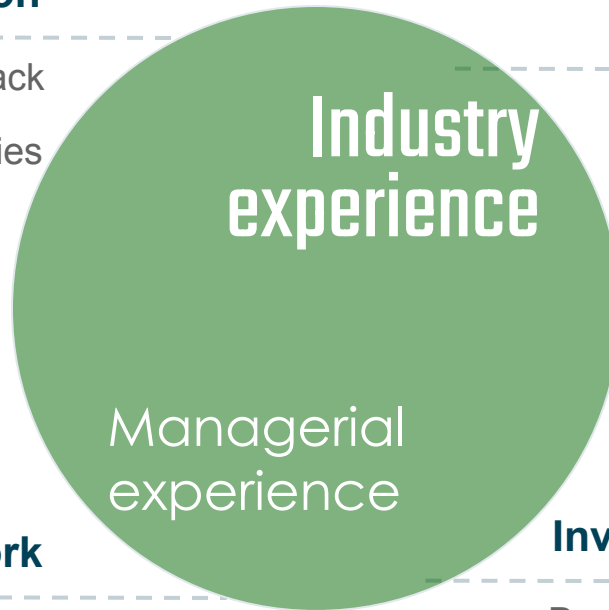
### Strategy Definition

- In-house proven track record in highly competitive industries
- Definition of the growth strategy based on managerial experience at the SMEs level
- X:
  - XX

### External Consultants

- Top-notch and in-depth industry know-how to support Due Diligence and strategy definition:
  - Capability to foresee industry trends
  - Technical knowledge at operational level to optimize processes

- GIO's management works in close coordination and cooperation with top professionals
- The maximization of the EV is pursued through a strong support to the target's management at the industry level



### Business network

- Access to a wide network of industry experts thanks to the cooperation with GIF-BTS and GIF-CP funds
- Industry and financial network of the Investment Advisor to support the identification top-notch professionals according to target's needs
- X:
  - XX

### Investment Management

- Deployment of industry experts into officers and directors position if needed
- Deployment of external consultants in case of underperformance
- X:
  - XX

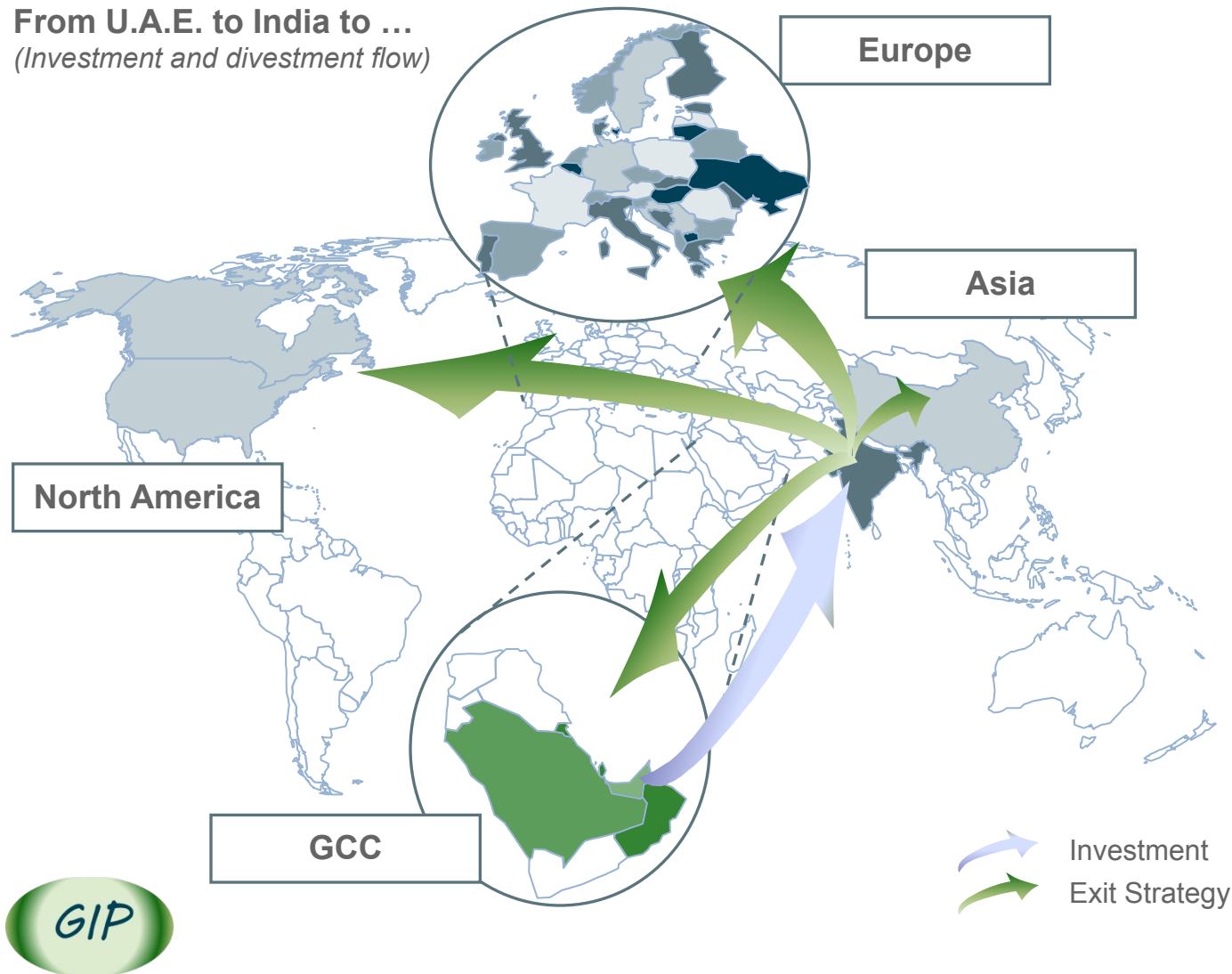


# Every investment decision starts from the exit strategy analysis

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## GIF-India: Indian investment strategy

From U.A.E. to India to ...  
(Investment and divestment flow)



- A wide range of possible international exits (Asia, Europe and America) increases the probability of a strong performance
- Exit strategy will be designed and executed among financial investors, industrial investors as well as through IPOs



## GIO: investment focus

Investment Parameters GIO Fund	
Segment	SMEs: turnover Rs. 500 mn -5.00 bn
Stage	Growth Stage
Ticket Size	US \$8-15M
Active Investor	Added value in terms of corporate governance standards, statutory auditors, management systems, and strategic initiatives
Owner-sh ip	10-30% (significant minority position)
Holding Period	3-5 Years
Target IRR	Minimum 25%

## Industry Focus GIO Fund

- No more than XX% of the corpus will be invested in any one sector
- Sectors of interest include:
  - Infrastructure
  - Building Materials
  - Fashion & Luxury
  - Aviation
  - Hospitality
  - Healthcare

## Exclusions of GIO

- Sectors:
  - Nuclear
  - Biofuel
  - Real Estate
  - Finance
  - Agriculture
  - Tourism
  - Textile
- Investment Models: Pure Financial Restructuring
- Projects not meeting BTS' ESG standards
- Projects on the Shari'a exclusion list:
  - Weapons
  - Liquors
  - Gambling



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# GIF has aligned interests with the investors

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## GIP Private Equity House: interests alignment

### ALIGNING INVESTORS INTERESTS



<b>BTS Group is an investor in all its funds</b>	<ul style="list-style-type: none"><li>• BTS Investment Advisors/Monterosa Group take a substantial equity interest (in cash) in all its funds.</li><li>• BTS has taken a 7% stake (USD \$ 5M) in the BTS India PE Fund</li></ul>
<b>Distributions</b>	<ul style="list-style-type: none"><li>• Distributions are used to first pay back the capital commitments, then the hurdle (with catch up)</li><li>• The remaining profit is split 80/20 between investors and management team.</li><li>• No deal-by-deal carry</li></ul>
<b>Management Fee, Carried Interest</b>	<ul style="list-style-type: none"><li>• Management Fee to cover operating costs – team is mostly incentivized long-term through carried interest</li><li>• Major share of the carried interest for the management company goes to investment team and investment committee</li></ul>
<b>Transparent and pro-active reporting to all investors</b>	<ul style="list-style-type: none"><li>• Detailed valuation and financial information related to portfolio companies are made available on a quarterly basis to all investors; annual investor conferences with detailed portfolio presentation and company visits</li><li>• Open door policy</li></ul>
<b>Co-investment opportunities for anchor investors</b>	<ul style="list-style-type: none"><li>• Preferred Co-investment rights for anchor investors</li><li>• Referrals of investments that might not be suitable for the Fund</li><li>• Opportunity to collaborate with General Partner in investment research</li><li>• Opportunity of forming strategic alliances with portfolio companies</li></ul>
<b>Corporate governance</b>	<ul style="list-style-type: none"><li>• Independent Fund Administrator to manage the operations in Mauritius as per the Charter of the Fund and reporting to the Advisory Board</li><li>• Majority of the investment committee are independent members bringing deep industry experience and incentivized alongside the general partner</li><li>• Advisory Board consisting of the anchor investors oversees adherence to investment guidelines and monitors /decides on any conflict of interest</li></ul>

BTS INVESTMENT ADVISORS



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# GIP likes to act responsibly

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## GIP Private Equity House: CSR

### ENVIRONMENTAL & SOCIAL MANAGEMENT



#### Sensitivity to the environment and social issues, a key driver of BTS' investment decisions

- Strong emphasis on maintaining strict Environmental & Social Safeguard Policies
- BTS is trained and has developed expertise for preparing Environmental & Social Management System (ESMS), which is embedded in the investment process
  - The Investment Memo contains a separate section which deals with environmental and social issues
- Environmental screening undertaken as a part of investment due diligence
  - The Fund will not make any investment that involves involuntary displacement
- In some circumstances post investment, certain development or expansion activity by a portfolio company may involve involuntary resettlement
  - The policy framework to ensure project-affected people receive adequate assistance
  - Full resettlement plan will be required where resettlement is Significant Involuntary Resettlement. Grievance redress mechanisms for project-affected people to be established
- Environmental & Social (ES) officer is appointed and trained for implementation of ESMS
- Investment officer, supported by the ES officer to monitor the compliance of the portfolio company with BTS ESM policies, and any improvements in performance
  - Annual Compliance Report provided to Contributors of BTS IA's funds on environmental and social performance of all the Portfolio Companies

BTS INVESTMENT ADVISORS



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## Global Integrator Partnership: corporate overview



Global Integrator Funds: investments



GIP Private Equity House: CSR



Contacts

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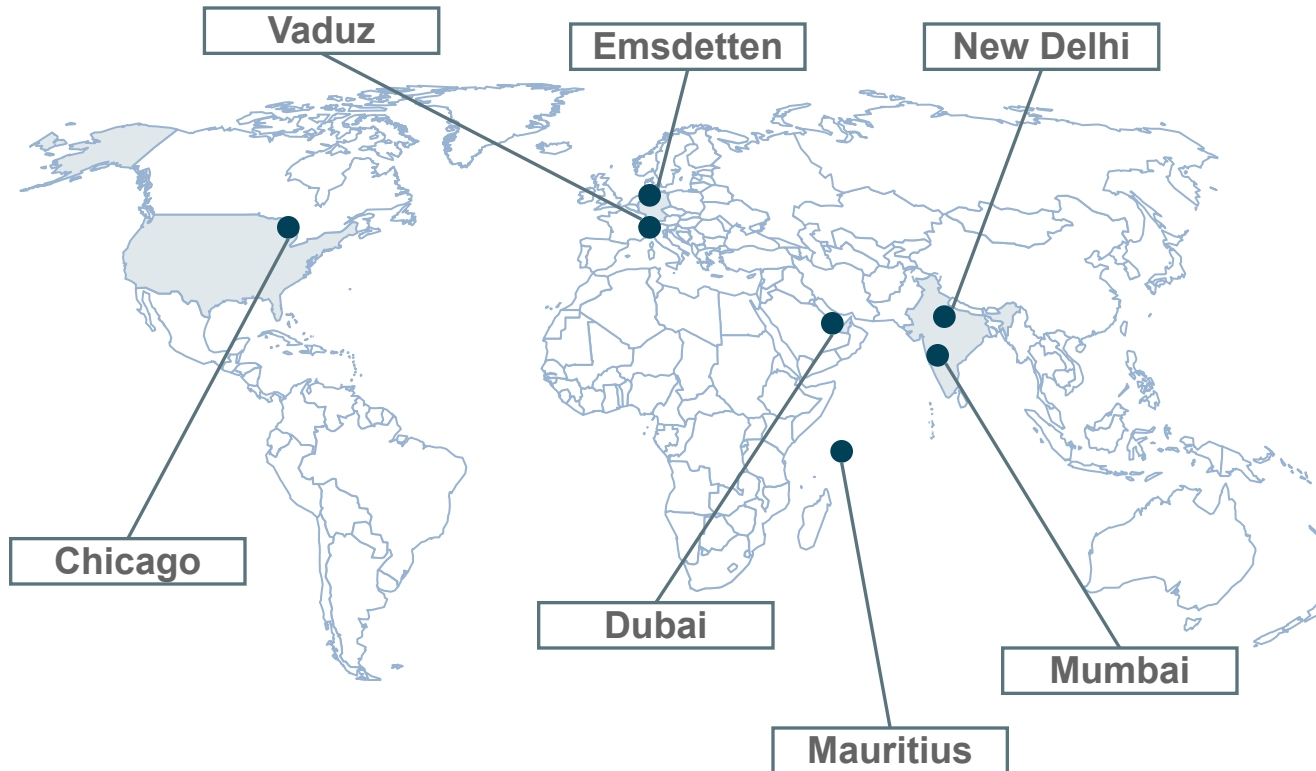
# Global Integrator Partnership

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## Contacts & Locations

### Global Integrator Partnership

(Locations)



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