

Capital Dynamics underscores tailored global investment strategies

Switzerland Country Report produced by Discovery Reports Group in the South China Morning Post on March 13, 2015

Tuesday, 17 March, 2015, 10:59am

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Investing globally used to mean risking high stakes for "virtual unknowns" and trusting asset managers with little control over the investment strategies. Thanks to increasingly knowledgeable partners and insightful solutions that better understand the complexity of the global investment landscape, it has become safer and much more rewarding - with the right partner.

Businesses seeking global exposure with tailored solutions find success with independent global asset manager Capital Dynamics, which specialises in private equity and clean energy infrastructure investing. With US\$19 billion in assets under management and advisement, Capital Dynamics enables clients to tap opportunities through its offices in London, New York, Zug, Beijing, Hong Kong, Tokyo, Silicon Valley, Munich, Birmingham, Sao Paulo, Seoul, Brisbane and Scottsdale.

"With Capital Dynamics, investors do not deal with a single, regional player; they get access to the entire global private equity business," says managing director and CEO Stefan Ammann. "Apart from a global platform, we bring an institutional backbone to local investing - ensuring that investment professionals in every country we operate in have a deep understanding of the culture and environment. This is an edge from which our Asian clients benefit the most."

Capital Dynamics has brought private equity to Japan, South Korea, Singapore, Thailand, Hong Kong and the mainland, where investments in the asset class have been rising.

Chinese private equity funds are estimated to have increased fivefold since 2010. Capital Dynamics sees this as one of many diverse prospects that global investors can explore in China, where it has invested for more than a decade through local, regional, global and affiliate funds.

To further pursue investment opportunities in the region, Capital Dynamics formed a strategic cooperation with a mainland investment manager, Diligence Capital, in 2013. The relationship leverages the companies' combined expertise, connections and in-depth market insight, and is part of Capital Dynamics' overall strategy to connect Asia more deeply with its global private equity network.

"Our relationship with prospective local partners will be vital as we look at China and the potential of both investing in the local market and the capital that can be raised there to invest in private equity elsewhere," Ammann says.

Capital Dynamics is also highly optimistic about Asia in general, citing industries such as health care and consumer goods manufacturing as major economic drivers. Among investment opportunities that Capital Dynamics foresees taking off in Asia are secondaries that provide early cash returns; co-investments that offer efficient ways to invest funds; and clean energy investments that deliver high and stable yields.

"Young, dynamic and rapidly growing, Asia is critical to our business - that is why we have expanded and will continue to expand actively in the region," Ammann says. "We will also continue investing in hiring and developing local talent, reinforcing our commitment to support and grow with our clients for the long haul."

The company's commitment is reflected in its comprehensive strategies, including small to large buyouts, growth and venture capital, and speciality strategies such as secondaries and direct investments. Clients are also assured that all analyses and decisions made by Capital Dynamics comply with environmental, social and corporate governance criteria.

One of the company's most remarkable feats was its appointment to manage the funds of Silicon Valley-based fund-of-funds manager HRJ Capital, which faced serious financial challenges amid the global economic slowdown in 2009. Capital Dynamics was able to solve a potentially crippling US\$340 million overcommitment, protecting the commitments of HRJ Capital's underlying investors in the process.

"We take pride in being able to turn complex situations into simple ones - with our clients' interest at the forefront," Ammann says. "This is the kind of ethos we bring in addition to our expertise and extensive reach, which we aim to expand in Asia and beyond."

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