



SALU Capital announces its second transaction in 2018 with the buy-out of Augur Capital private equity investment fund AFO-2

NEW YORK, BERMUDA, LUXEMBOURG, ZURICH, SAN FRANCISCO (25 June 2018) – SALU Capital ("SALU"), together with its partners Apex Group Ltd. ("Apex"), Genstar Capital ("Genstar"), and Inlife Holding ("Inlife"), today announces the purchase of at least 95% of the shares of Augur Financial Opportunities 2 SICAV ("AFO-2" or the "Fund"), a Luxembourg investment vehicle managed by German Augur Capital that includes the Fund's portfolio companies, German life insurer myLife Lebensversicherung AG ("myLife") and Luxembourg-based fund administration and ManCo business LRI ("LRI Group"), from the Fund's investors in a secondary fund buy-out transaction. As part of the transaction, LRI Group will become part of Apex, a Genstar portfolio company, while myLife will become a wholly owned affiliate of Inlife.

The transaction marks a significant step forward for SALU in the implementation of its investment strategy focused on complex special situations opportunities centered on the global financial services and specifically the insurance sectors, as well as on global contrarian investment opportunities.

The addition of LRI to the combined Apex Group adds a further \$13 billion to its global assets under administration (AuA). Apex's strong international presence, connected operating model, and comprehensive portfolio of client-centric solutions will expand the jurisdictional expertise and investment options available to LRI Group clients. LRI Group brings exceptional expertise in the Luxembourg and regulated markets, which combined with its successful local service framework, will bolster Apex's existing operation. The LRI Group team will join the new Apex office in Munsbach, bringing Apex's total number of employees to over 2,000 globally. Clients of LRI Group can expect a seamless integration, with the new joint team upholding the established German-speaking service model that emphasizes personalized, local support.

Upon completion of this transaction, Apex will have more than \$535 billion in AuA, further solidifying its global position as one of the world's largest fund administrators. This is the fifth transaction for Apex in the past 10 months, following the takeover announcements of Equinox Alternative Investment Services, Deutsche Bank's Alternative Fund Services, M.M.Warburg & CO's Asset Management and Servicing business, and private equity fund administrator, Ipes. It is also the Group's second transaction in partnership with SALU Capital. Building on its rapid global growth and expansion, this further solidifies Apex as one of the largest fund administrators in the world.



MyLife will join Inlife's investment holdings in the European insurance industry, and the company will continue to focus on the growth of its highly successful core net-life insurance policy portfolio, having been one of the pioneers of the product design for the past eight years. Furthermore, SALU and Inlife seek to establish a joint effort to pursue opportunities in the German and European run-off insurance market that is driven by the transformation of capital models and allocations following the introduction of Solvency 2 regulation, as well as by the increasingly difficult investment and yield environment.

Terms of the transaction are not being disclosed. The transaction is subject to customary closing conditions including regulatory approvals and is expected to be completed in the fourth quarter of 2018.

Freshfields Bruckhaus Deringer LLP, Arendt & Medernach, Willkie Farr & Gallagher LLP, Linklaters, CMS, KPMG and Milliman provided counsel and transaction advice to SALU Capital and its partners Apex and Inlife.

Markus Philipp Ehrhardt, Managing Partner of SALU Capital, said:

"We offer our investors and partners a sophisticated and scalable investment alternative with highly attractive, risk-adjusted returns through our focus on complex, proprietary and contrarian investment situations in the financial services sector, and with our second transaction in 2018, we have made yet another step in demonstrating how we will take advantage of what we believe to be an extraordinarily long list of unique opportunities in global financial services and insurance, especially in Europe."

Peter Hughes, Founder & Chief Executive Officer, Apex Fund Services, said:

"This marks yet another important milestone in Apex's journey to become a top player in the global fund administration arena. The addition of LRI Group reinforces our deep industry knowledge in the Luxembourg and German markets, expanding our ability to service clients across the full value chain. As we roll out additional geographic and service capabilities, we remain committed to delivering the tailored and client-centric solutions that our clients have come to expect. The combination of LRI Group with the regulated Warburg Bank provides a powerful European regulation solution to asset managers globally."

Frank Alexander de Boer, Managing Director, LRI Group, said:

"Apex's global reach and connected operating model opens up over 20 additional investment jurisdictions to LRI clients, with local expertise available through the Apex network of offices. The newly



combined team will uphold the established German-speaking LRI service model. Our clients will also be able to benefit from Apex's Luxembourg bank services and gain access to further regulated solutions and services. This deal fits perfectly with LRI's strategy of developing necessary scale, a stronger international network and ultimately broadening the breadth of service for our clients. Our efforts and activities over the past few years have created a strong operational framework for the transaction, readying us for further successful development."

Martin Vogl, Chairman of Inlife's life carriers, said:

"In the last six years Inlife has established a highly efficient life insurance run-off platform in Switzerland and Liechtenstein. With the acquisition of myLife and based on our selective make & buy growth strategy we enter into the next development chapter of our life insurance business as we invest into high growth and new business generating life insurance opportunities within the European life insurance market. We are very excited about this initiative where we together with the management team and employees of myLife intend to develop and to further grow the myLife business and to thereby strengthen the fee-based financial advisory business in Germany."

About SALU Capital

SALU Capital (www.salucapital.com) is a special situations and private equity investment firm with focus on the global financial services and insurance sectors. SALU works with an established network of family offices and institutional investors enabling the firm to target investments with an equity value of between \$20 million and \$300 million for individual transactions. SALU's leadership and investment partners have deep and broad experience in global financial markets, private equity and the investment management industry, and SALU relies upon a network of senior advisors that includes former CEOs and senior operators with decades of experience in the sectors that SALU invests in.

About Apex Group

Apex, established in Bermuda in 2003, is one of the world's largest independent fund administration and middle office solutions providers with offices in 35 locations worldwide. Apex has continually improved and evolved its product suite by surrounding these core administrative services with additional products spanning the full value chain; from information delivery and regulatory products to a full middle office solution and fund listings database. Apex now administers the investments of some of the largest funds and institutional investors in the world. www.apexfundservices.com

About LRI Group

LRI Group is a leading independent investment services company based in Luxembourg. It provides asset managers and investors with three decades of experience in structuring and administration of traditional and alternative investment strategies. Established in 1988, LRI Invest S.A. acts as Super Management Company (Super ManCo) being authorized as Alternative Investment Fund Manager (AIFM) and as UCITS Management Company in Luxembourg. Through LRI Invest Securitisation S.A. it also operates a securitization platform for a variety of alternative investment underlyings for institutional investors. With LRI Depositary S.A. it also provides depositary services and can act as Register and Transfer Agent for alternative investment funds. LRI Group manages EUR 3 billion in Real Assets especially in Real Estate, Private Equity and Debt and EUR 10 billion in Financial Assets such as Multi Asset Funds, Liquid Alternatives and Funds of funds and has 100 staff. www.lri-group.lu

About Inlife

Inlife, an independent and privately owned business headquartered in Zurich, has been investor in the European life insurance industry for many years. Since 2012, Inlife has acquired six life insurance carriers in run-off domiciled in Switzerland and Liechtenstein and has subsequently set-up a life insurance run-off platform in the aforementioned countries. Based on such efficient platform and based on its selective make & buy growth strategy, Inlife intends to further invest into attractive European life insurance opportunities – aside from run-off opportunities also including investments into new business generating life carriers as well as into new life insurance business initiatives within its existing life carrier set-up.

About Genstar Capital

Genstar Capital (www.gencap.com) is a leading private equity firm that has been actively investing in high quality companies for nearly 30 years. Based in San Francisco, Genstar works in partnership with its management teams and its network of strategic advisors to transform its portfolio companies into industry-leading businesses. Genstar currently has \$9.7 billion in assets under management and targets investments focused on targeted segments of the financial services, software, industrial technology, and healthcare industries. Genstar's current and previous investments in financial and business services companies include Ascensus, AssetMark, Strategic Insight, Mercer Advisors and Altegris. www.gencap.com

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