

## Leopard Haiti Fund: Contributing to the growth of the Haitian private sector



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*Le Nouvelliste Article by Samanda LEROY -*

### **Thierry Bungener, please tell us about Leopard Capital, this \$ 75 million Private Equity Fund which recently started its activities in Haiti**

Leopard Capital is the manager for a private equity fund called Leopard Haiti Fund (LHF) which has actually started its operations in Haiti in July. Our objective is to invest (take participations) in Haitian private sector companies that show potential for high growth and long term capital appreciation. When I say "long-term" ... the Fund has a life of 10 years and will invest in companies for an average of 5 to 6 years. Note that we do not invest to stay in a company forever. On the contrary, by the time our cash is disbursed, the question of how we exit has already been decided with the existing shareholders. Also note that as a Private Equity Fund, not a Venture Capital Fund, we are looking for growth investments in successful existing businesses rather than venture proposals for new businesses or projects. This does not mean that occasionally, we will not invest in a promising new business.

We are two Managing Partners: Rilwan Meeran, our Chief Financial Officer and myself, and one Associate Partner: Guy Balan. We are all based in Port-au-Prince. My experience and background have been in the commercial and development banking fields. Rilwan and Guy both are specialists in Private Equity and Merger & Acquisitions, both having international private equity experience and investment banking experience on Wall Street. They also have both strong business strategy development experiences.

**2 - Will Leopard Capital invest in specific activities in Haiti? Have you already done so? If yes, in what field?**

LHF is particularly interested in four strategic sectors of the economy such as tourism, housing / construction, renewable energy and food production ... but we are also interested in all companies that are engaged in the productive sector of the Haitian economy; for example, the sewing industry where many jobs can be created.

At the investee company level, LHF brings equity capital - I say capital, not debt because we do not compete with banks, we complement them: Before exiting our investment after a period of five to six years, we fully share the business risks with the owner; we have no "collateralized assets" as the banks do, and of course, we do not charge annual interest. Indeed, we bring equity capital but also substantial added value, in areas such as capacity building, optimization of operational or financial performance ... all the way to support for development of local and international markets. In all cases, we will look to create value in combination with improving transparency of finances and governance and implementing best management practices. Moreover, we are looking for opportunities that are respectful of the environment and social factors, which represent important objectives for the Fund.

At the level of the Haitian economy, we are hence in the strategic sectors of productive investment, job creation, foreign exchange generation, the development of capital markets in Haiti; of course also respectful of the environment and social factors, which represent important objectives for the Fund.

And to more specifically answer your question about our activities to date, we have been open for business in Haiti for the past 3 months and have been working diligently with our various local and international partners to find good investment opportunities. We have a very strong team with the ability to move quickly through the due diligence process and deploy capital in a timely manner.

### **3 - Who are your international and local partners?**

At the international level, we have our colleagues in the Leopard family, lead by Douglas Clayton, our founder and CEO, and Lawrence Mackhoul, who are already well known in financial circles in Haiti. I recommend visiting our website [leopardcapital.com](http://leopardcapital.com) to learn more about us. We are especially thankful to our founding investors and partners for their vision and hard work to make this happen. I mean the IFC (International Finance Corporation, World Bank), the FMO, the Netherlands Development Agency and the IDB (Inter-American Development Bank) through its MIF branch which, together, have invested \$20 million in the Fund.

As local partners, we see the commercial banks, which all saw a presentation from our group, and the Centre Facilitation of Investments (CFI); and then of course, the law firms, notaries, accounting firms and economic consultants, without whom our work would not be possible. Last but not least, our partners from the public sector, both those within our sectors of activity (I am thinking about the tourism and energy sectors in particular) and the regulators.

### **4 - Are there any figures or limitations to your activities that we should communicate to our readers?**

Our goal is to raise \$75 million for the Leopard Haiti Fund. So far, we have raised \$20 million that can be put to work immediately. We continue to meet with potential investors, including our friends from the Diaspora as well as Haiti-based investors to raise the additional capital. With respect to our investing limitations, our maximum investment is capped at 15% of our raised capital, which means that today we can invest up to \$3 million in any one transaction. If and when we reach our target of \$75 million, our upper limit will increase to \$11.25 million.

### **5 - Leopard Capital invests in several other countries. Why did you choose Haiti?**

Leopard Capital specializes in launching private equity funds in *frontier markets*, which can be described as market with lower market capitalization and liquidity than the "traditional" emerging markets. Following the earthquake, Doug Clayton visited Haiti and felt in love with the country beauty, the resilience of its people and their capacity for hard work. He also saw the opportunity to positively contribute to the country growing economic future. As mentioned earlier, our whole team is based in Haiti. We are all very excited about working with various entrepreneurs in the country to help grow and strengthened the private sector. Leopard Capital also has operations in Cambodia, Bangladesh, Myanmar and Mongolia.

**6 - Leopard Capital has been in Haiti since July 15. How do you explain that very few people are aware of his presence?**

We believe in our "roll-up" your sleeves approach. We have met with a lot of entrepreneurs from various sectors looking for capital to help launch startups to larger corporation looking to expand. As mentioned previously, we have also met with numerous banks, accounting, legal and other commercial advisory firms in order to discuss collaboration modes with them. Obviously, there is still more work to be done to increase people awareness of our presence and their knowledge of our investment process. Actually, it is rather for our results that we would like to be known.

**7 - Are you so far satisfied with the work of Leopard Capital in Haiti?**

We are. To date, we have received requests from about thirty companies and are actively reviewing about 4 potential investee companies. Industry statistics have it that a private equity fund makes an average of 2 to 4 investments per year; we will hopefully beat the stats. The market has been very responsive with people asking good questions about our investment approach, value-added strategy as well as our exit strategy. As we continue to meet people and explain our product, we expect inbound requests to rise. We look forward to working with more entrepreneurs to help grow the private sector in Haiti.

Let me thanks you ...