



Aquamarine reaches first close on maiden fund

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The PE firm, recently founded by Kaye Scholer partner Joel Moser, has raised \$250m for its debut fund which has a target of \$1bn.

Less than six months after its founding, Aquamarine Investment Partners, a private equity firm focusing on energy, infrastructure and core real estate, is a quarter of the way towards raising \$1 billion for its debut fund, North American Real Asset Fund I, the firm's founder and chief executive Joel Moser told Infrastructure Investor on Tuesday.

"Our anchor investor committed \$250 million," Moser explained in an e-mail, adding that the firm has already made its first capital commitment – a \$50 million investment into a \$1 billion real estate development in Manhattan.

The fund, which will invest across all three asset classes the firm focuses on – will be entirely North American, and "probably exclusively Continental US," Moser said.

As for the fund's investment strategy, Moser, who until recently headed Kaye Scholer's Energy and

Infrastructure practice, a department which he established, explains it as follows: “We are looking at assets that sit within a band along a correlation index closer in but not all the way to the origin. The best way to understand this approach is to say what we are not doing. We are not, in this fund, seeking true private equity exposure nor are we modeling our strategy after our many friends in the pure infrastructure risk space. We seek to occupy a territory in the middle.”

He goes on to analyse the fund’s approach as it applies to each of the sectors the firm and the fund focus on. “In the energy space, we are expecting to take a position on the impact of falling oil prices on unconventional and alternative energy assets. In transportation, we will consider traffic forecasts. In real estate, we are prepared to take a longer view with a 10-year fund, so long as leverage stays at moderate levels.”

Initially, Aquamarine will look to deploy capital in the \$50 million to \$100 million range, either leading transactions or co-investing with long-term investment partners. Going forward Moser expects future funds will have a global scope, a broader strategy or even be specific to different strategies.

In addition to spending a little over two years at Kaye Scholer, Moser’s 30-plus years practicing law includes serving as founding head of the Global Infrastructure Group at Fulbright & Jaworski – now Norton Rose, as well as managing his own law firm.

Asked what prompted him to leave the law firm and establish his own private equity firm, Moser responded: “I have long felt that my best work has been as a doer and I have worked well with clients over the years who welcomed my fuller participation in transaction planning and execution. But there is nothing like being in the principal seat and I am delighted to now be on the client side of the closing table.”

Aquamarine, which was founded on July 1, the same day fundraising efforts for its debut fund began and one day after Moser left Kaye Scholer, has a team of over 20 professionals. They include Sir Michael Peat, former treasurer to Queen Elizabeth, who leads the firm’s advisory board, along with Marco Alvera of Eni, Huifeng Chang of CICC and Zakaria Aziz of RAYOman.

Sofie Jaafar serves as Aquamarine’s chief financial officer; Peter Ginsberg is the firm’s real estate expert; Yazid Yakub serves as chair and head of research; former Blackstone executive Walid Kamhawi is the firm’s transactional expert and Rahimin Aziz chairs Aquamarine’s investment committee.

The firm, which is based in New York, also employs asset managers and engineers, along with legal affairs and other supporting staff.