



ASX Announcement

4 August 2022

Navigator Global Investments makes strategic investment in Invictus Capital Partners

Navigator Global Investments Limited ('Navigator' or 'the Company') is pleased to announce that it has entered into an agreement to acquire a passive strategic ownership interest in Invictus Capital Partners, LP, and its affiliates ('Invictus Capital Partners')

Invictus Capital Partners investment highlights

- US\$15m to be paid at closing, and US\$85m of consideration payments over up to three years, of which most of the capital will be directly used to support growth initiatives
- Market leading position as one of the most active non-bank investors in the U.S. residential real estate finance market
- US\$2.3 billion of AUM across multiple products
- Strong AUM growth driven by a broadening set of institutional clients and strong re-up rates
- Led by a high-quality management team with extensive experience in all aspects of residential and commercial real estate debt investing and finance
- Strong alignment of interests – Invictus Capital Partners' management team to reinvest in the business with no change to day-to-day management responsibilities
- Meaningfully diversifies Navigator's strategic investment portfolio into a new investment strategy and attractive earnings profile with high quality fee earnings and carried interest
- The investment is expected to be immediately EPS accretive to Navigator in FY23 and contribute meaningfully to earnings going forward

Michael Shepherd, Navigator Chairman commented "This investment represents an exciting opportunity to partner with a proven and growing specialised asset manager that brings further diversification to our existing investment portfolio and will create value for Navigator shareholders"

Ross Zachary, Navigator MD of Strategic Corporate Development added "Invictus is a proven leader in an attractive asset class with high barriers to entry. They have an impressive track record and have successfully built a scaled platform through varying market conditions. We are excited to be able to partner with them during their next stage of growth"



Funding and dividend policy

On 30 June 2022, NGI entered into a new credit agreement with its current lender, BMO Harris Bank N.A. (BMO), for a new senior, secured credit facility in the aggregate principal amount of an immediate US\$50m of capacity with the potential for this to be increased to US\$75m from an additional lender arranged and administered by BMO. This increased borrowing capacity provides Navigator flexible financing to maximise shareholder returns as we fund certain deferred consideration related to our Marble Capital and Invictus Capital Partners investments

NGI also expects to fund a portion of deferred consideration, depending on timing, through operating cash flows. As a result, that Board has determined that it is appropriate to adjust the dividend policy to be in accordance with NGI's investment needs. To accommodate the payment of the up-front consideration without immediately drawing on available debt facilities, NGI's upcoming FY22 second half dividend payment will be reduced and will result in a payout range of 50-60% of for the full 2022 financial year Adjusted EBITDA.

Navigator will complete its investment in certain entities immediately with others subject to satisfaction of certain customary conditions, including certain regulatory notice periods and approvals. The investment is expected to fully complete before December 2022.

Colchester Partners LLC served as financial advisor and Kirkland and Ellis LLP served as legal counsel Invictus Capital Partners on the transaction. Fried, Frank, Harris, Shriver & Jacobson LLP served as legal counsel to Navigator.

About Invictus Capital Partners

Invictus Capital Partners is an investment firm with a focus on opportunistic credit strategies. Founded in 2008, Invictus is majority-owned by its employees and has deep experience across the spectrum of real estate debt investments, including high-yielding and distressed bonds and loans. From 2008 to 2014, Invictus served as a joint venture partner and sub-advisor to The Carlyle Group for real estate debt strategies. Through an affiliate, Verus Mortgage Capital, Invictus seeks to address the credit void in today's mortgage lending market and capitalize on the substantial inefficiency within this sector. Find additional information at www.invictuscp.com and www.verusmc.com.

About Navigator

Navigator Global Investments Limited (ASX:NGI) is a diversified asset management company dedicated to partnering with leading management teams who operate institutional quality alternative asset management businesses globally.

Navigator has US\$22.9 billion of AUM (30 June 2022), on an ownership adjusted basis, across Lighthouse Partners and its strategic investment portfolio.

www.navigatorglobal.com.au

Authorised by: **Board of directors**

For queries, please contact:

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