

Capital Constellation Takes Minority Ownership Stake in Ara Partners

Capital Constellation is acquiring a “substantial” minority ownership stake in Ara Partners Group, a middle-market private equity platform focused on the global energy and industrials sector. The price of the transaction is \$150 million.

NEW YORK, N.Y. and HOUSTON, TEXAS, July 16, 2018 – Capital Constellation (“Constellation”), a provider of catalytic investment capital to next-generation investor entrepreneurs, today announced the closing of a \$150 million strategic partnership with Ara Partners Group (“Ara Partners”), a private equity platform investing in middle-market opportunities across the global energy and industrials sectors. Capital Constellation will acquire a substantial minority ownership interest in Ara Partners and provide the firm and its affiliates with significant investment capital.

Ara Partners is a global alternative asset manager that invests in diverse segments of the energy and industrials sectors. The Ara Partners platform invests in private equity and private credit opportunities under the banners of AEM Advisers, Intervale Capital, Bayou City Energy, Cibolo Energy Partners, Junction Energy Capital, Aksiom Partners and Teleios Commodities. Ara Partners was founded by Charles Cherington and Will McMullen, founder of Bayou City Energy. Ara Partners is led by Charles Cherington and Troy Thacker, who each have over 20 years of experience investing in and managing energy, services, and infrastructure

“We are delighted to partner with Constellation and the top-tier global asset owners it represents,” said Charles Cherington, Managing Partner of Ara Partners. “This partnership accelerates Ara Partners’ growth and supports our goal of building a leading and lasting global private equity platform.”

Constellation is a joint venture formed by the Alaska Permanent Fund Corporation (“APFC”), RPMI Railpen (“Railpen”), and Wafra Inc. (“Wafra”) on behalf of the Public Institution for Social Security of Kuwait (“PIFSS”). Constellation launched earlier this year with \$700 million in initial commitments from its founders and is targeting total deployment of \$1.5 billion to a cohort of rising alternatives managers over the next five years.

“Ara Partners’ unique platform provides Constellation with diversified access to specialized investment teams targeting attractive middle-market opportunities,” said Russell Valdez, Senior Managing Director at Wafra and a founding Board Member at Constellation. “We are excited to partner with Ara and fuel their innovative approach to private equity investing across the energy value chain.”

The partnership with Ara Partners continues Constellation’s strategy to back investor entrepreneurs and catalyze the creation of the next-generation of alternative investment managers. By providing strategic and financial support, alongside a substantial, stable capital base, Constellation seeks to align with rising alternative asset managers and generate consistent, long-term returns for its members.

“Our job now is to help Charles, Troy, and the entire Ara Partners team build out their vision for an integrated energy asset management firm that stretches from wellhead to home and creates value through unique network effects built into their core business model,” said Daniel Adamson, Managing Director at Wafra and President of Constellation.

Meshal Al-Othman, CIO of PIFSS, noted, “Ara Partners will provide diversified exposure to niche energy assets that might not otherwise be available to a large pension plan.”

Paul Bishop, Head of Private Markets at Railpen and founding Board Member at Constellation, added, “These are the sorts of innovative, aligned investments that we believe create the most value for our beneficiaries.”

Steve Moseley, the Head of Private Equity and Special Opportunities at APFC and founding Board Member at Constellation, said, “It is wonderful to see the Constellation strategy employed, especially in support of talented and motivated managers like Ara Partners.”

About Ara Partners

Ara Partners is a global alternative asset manager that principally invests in the energy and industrial sectors. Ara Partners and its affiliates currently manage, in aggregate, approximately \$2.4 billion of committed capital. The Ara Partners platform is designed to capitalize on and scale niche middle market opportunities across the energy, industrial and infrastructure value chain. For more information please visit www.arapartners.com

About Capital Constellation

Constellation is an innovative joint venture spanning Europe, North America, and the Middle East that seeks to catalyze the next-generation of promising private equity and alternatives managers. It combines the expertise and capital base of three of the world’s premier institutional investors— the Alaska Permanent Fund Corporation, RPMI Railpen and Wafra, on behalf of the Public Institution for Social Security of Kuwait. The founding partners of Capital Constellation together manage more than \$200 billion in assets, and have made an initial commitment of \$700 million to Constellation. For more information please visit www.capitalconstellation.com

About Wafra

Wafra has more than \$23 billion of assets under management and invests across a wide range of alternative asset classes. In its pursuit of investment excellence, Wafra connects its investors, partners and stakeholders to foster an exchange of ideas and innovations. Wafra’s investment strategies are supported by professionals headquartered in New York and located in other financial centers who express the long-term vision of Wafra’s stakeholders to alternative investments and private equity. For more information please visit www.wafra.com