



## Venture Capital Bank announces the first closing of its SME's MENA Fund

Bahrain-based Venture Capital Bank (VC Bank) is pleased to announce the first closing of its recently launched US\$ 250 million MENA Small & Medium Enterprises Fund I L.P. (Fund), the first Shai'ah-compliant fund dedicated to small and medium enterprises in the Middle East and North Africa region.

Co-managed by VC Bank and its technical partner, the US private equity firm Global Emerging Markets (GEM), the Fund has raised more than the targeted amount for first closing of US\$ 75 million. Out of the total amount raised, almost 20% has been committed by investors from USA.

Sharif Monfaradi, VC Bank's Chief Investment Officer - Private Equity said " as we have expected, the Fund received sizeable demand from regional and international investors. The Fund will provide the investors with an opportunity to be part of the region's unprecedented economic growth while cultivating superior risk-adjusted returns by investing in the SMEs sector, which is despite their importance in driving regional economies, creating jobs and fostering technological innovation, have been neglected by institutional investors in the region".

"In addition to Challenger Limited, the oil drilling company in North Africa that was recently acquired by VC Bank and GEM on behalf of the Fund, we are already at an advanced stage on a number of other acquisitions for the Fund. We are very excited at the prospects currently in the pipeline as most of these companies have experienced management, strong growth potential and profitable earning history" Mr. Monfaradi added.

On the oversubscription, Mr. Monfaradi said " we are very happy that the Fund's first closing was oversubscribed and expect to raise an amount exceeding US\$ 100 million from US and European investors by the second closing. We are very positive about the future economic prospects of the region and over the next few years we will be using this Fund to act as a catalyst for growth in the MENA region and return superior risk adjusted returns to the Fund investors"

"With GEM's track record of investing in SMEs in the US and globally along with VC Bank's management expertise and relationship network in the MENA region, we are confident that we will be able to create value for our investors through the Fund" Mr. Monfaradi added.