

Ex-KKR and Goldman manager launches flagship Korea activist fund – “Align Partners Korea Fund”

- *Align Partners Korea Fund employs a localized private equity approach to shareholder activism to invest in listed Korean companies, capitalizing on the deep “Korea Discount”*
- *Sub-managed by Seoul based Align Partners Capital Management Inc.*
- *Fund operates on Asia’s leading institutional fund platform, Gordian Capital, AUM USD13bn*

Singapore & Seoul, 7 February 2024 – Gordian Capital announces the formation of the Cayman domiciled Align Partners Korea Fund (the “Fund”). This is a successor to the prior Korea domiciled fund, Align Partners Fund I in September 2021. The new fund includes the significant participation of a well-known US value manager, serving as the inaugural anchor investor. The Fund is sub-managed by Seoul-based Align Partners Capital Management, Inc. (“Align”).

Align specializes in investments in listed Korean equities, employing a strategic approach intending to target superior long-term returns through a localized private equity (“PE”) lens, particularly focusing on shareholder activism to capitalize on the substantial “Korea discount.”

Align’s investment philosophy is rooted in the belief that South Korea represents an extreme value market, with compelling business dynamics – hence the term “Korea discount.” Korea is historically characterized as a “value trap,” where numerous attempts by international activists proved unfruitful.

The Align local team has an extensive network within the Korean business and governance community, built up over more than a decade. Under the leadership of Changhwan Lee, an ex-KKR/Goldman portfolio manager and Align’s CEO, Align has a robust local reputation, backed by a demonstrable track record of success.

Changhwan Lee’s career includes Goldman Sachs’ Investment Banking Division in Seoul, focusing on M&A advisory for Korean corporate clients and KKR’s Private Equity team in Seoul, where he contributed to several private equity investments, including Oriental Brewery and KCF Technologies. At Align, Changhwan spearheaded shareholder campaigns at SM Entertainment and seven listed Korean banks, currently holding a 14% stake in JB Financial Group (KOSE:A175330). He holds a Bachelor of Business Administration (Summa Cum Laude) from Seoul National University.

“Korea is now surprisingly the 3rd largest activist market globally in 1H 2023 after the U.S. and Japan, and there is limited competition due to a shortage of local talent with relevant skillset. We are excited to announce the formation of a Cayman-domiciled fund, the Align Partners Korea Fund, the strategy of which we believe offers significant opportunities in unlocking value in Korean equities,” commented Changhwan Lee.

As part of the Fund’s launch, the Align Partners Korea Fund will leverage Gordian Capital’s close to two decades of expertise acting as the Manager, as well as providing operational, regulatory and compliance support.

Established in 2004 by capital markets professionals and alternatives industry veterans active in Asia since the 1980s, Gordian Capital stands as Asia’s leading institutional quality, independent fund platform specialist, with an AUM of USD 13 billion. Initially launching its first operating subsidiary in Singapore in 2005, the group now boasts a regulated presence in Singapore, Japan, and Australia, with both its Singapore and Tokyo operations registered with the U.S. SEC as Registered Investment Advisers.

“We are pleased to partner with Changhwan Lee and the Align team as they work to enhance corporate governance in Korean capital markets,” said Mark Voumard, CEO of Gordian Capital Singapore Pte. Ltd. “They bring experience and are acknowledged as pioneers in the nascent but rapidly growing activist scene in Korea.”

Align Partners Korea Fund LP, a Cayman-domiciled limited partnership, provides access for investors interested in partnering with Align to access Korea’s rapidly developing corporate governance landscape.

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About Align Partners Capital Management Inc.

Founded in 2021, Align Partners Capital Management Inc. (“Align”) is a Korea-based investment management firm. Align applies a “Private Equity Approach to Korean Public Equity Markets” strategy by investing in a small number of high conviction public companies over the long-term. Align seeks to partner with companies to unlock value and/or create catalysts through PE style engagement by leveraging its deep local network and expertise.

Align currently manages a total AUM of USD 253 million¹.

About Gordian Capital

Established in Cayman in 2004 by capital markets professionals and alternatives industry veterans active in Asia since the 1980s, Gordian Capital has operating subsidiaries in Singapore, Tokyo, Melbourne and Shanghai. As a leading Asian institutional, independent, fund platform specialist, managing USD 13 billion in AUM, Gordian Capital's focus has always been institutional. This institutional focus and fiduciary duty to our investors are reflected in our DNA.

For queries, please contact:

Mark Voumard

E: voumard@gordian-capital.com

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¹ As of January 31, 2024. Assumes USD 1 = KRW 1,300