ANCIENT OVERVIEW

ancient

Overview & Approach

- Ancient is a investment vehicle that acquires and invests in growing businesses
- Founded by Alex Klabin in 2020, and is based in New York
- Invests in high quality companies with durable moats
- Takes a long-term view and underwrites holding its portfolio companies on an “indefinite” time horizon
- Seeks to generate returns by compounding cash flow over time, rather than applying excess financial leverage
- Acts as an “invited guest” to portfolio companies, with the ability to deploy internal operations, marketing, finance, technology and other transformation resources when needed (but not forcing portfolio companies into a one-size-fits-all playbook)

Leadership Team

Alex Klabin, Founder & CEO

- Co-founder and co-CIO, Senator Investment Group (2008-2020)
- Previous roles at York Capital Management, Quadrangle Group, and Goldman Sachs
- Princeton University (1998)

Robert Reid

- Blackstone Group (1998-2020)
  - Head of TMT
  - Head of London office
- Princeton University (1996)

Jasper Lewitton

- Former Senior Leader at Bridgewater Associates
  - Reporting to Ray Dalio
  - Leader in Investment, Client and Talent functions
- Led UBS U.S. Wealth Management and Group Strategy

Adam Ingber

- Former EVP and Chief Tax Officer at MacAndrews & Forbes
- Former tax attorney at Skadden, Arps, Slate, Meagher & Flom LLP

Ancient Differentiation

Ancient differentiates itself from traditional private and public equity:

- Constraints of private equity
  - Typical holding period of 4-5 years, with planned exit typically impacting strategy by year 2-3
  - Use of leverage to achieve target IRR, which limits operational flexibility
  - Emphasis on greater short-term cash flow generation, often at the expense of longer-term growth
  - Frequent desire to apply a one-size-fits-all operational playbook, particularly with software companies
- Constraints of traditional public market investors
  - Mutual fund managers are generally measured relative to a major benchmark index and are generally averse to owning companies not included in those indices
  - Fund ratings companies place some weight on short-term performance, thus incentivizing a focus on near-term corporate results
  - Hedge fund incentive structures create excessive focus on near-term (quarterly) performance
  - Fragmented ownership base forces management teams and boards to respond to too many shareholders with varying views
- **Advantages of Ancient’s approach**
  - Focus on long-term value creation with minimal weight put on quarterly performance
  - Ability to invest in initiatives that generate positive NPV even if dilutive to near-term profits (e.g., accelerated license-to-cloud transition; adding productive QCR headcount)
  - No fund-life or exit requirements allows management to focus solely on operating the business rather than positioning the company for a sale