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Kimera – a family office with a hands-on direct investment approach



By [James Williams](#) 22nd December 2022

Established in 2017 by the patriarch of a local family, Kimera of Dubai is a single-family office that uses its extensive network and takes a hands-on, active investment approach.

Whereas the usual route for most is to invest with fund managers before exploring co-investment and direct investing deals, Kimera has achieved an edge by seeking out its own deals, some backed by private equity or venture capital groups, before deciding whether to invest with those sponsors in subsequent fund launches.

Overseeing the formation of Kimera – and running its investment programme – is chief investment officer, Zaid Al-Qaimi, who previously worked for the Abu Dhabi Investment Authority.

“We run a global mandate across all asset classes and actively manage our own equity portfolio,” he says. “In 2020, we took COVID very seriously, unlike some major global hedge fund managers, who hedged way too late. We shorted the market early on the way down and redeployed on the way up. We had a fantastic year in equities.

“Fast forward to 2022. We didn’t like what was happening in the markets, and in late January, we closed our public equity book. There was too much volatility. We aren’t in a rush to get back in.”

At ADIA, one of the world’s largest sovereign wealth funds, managing \$830 billion, Al-Qaimi spent years co-managing a global equity portfolio and some of ADIA’s strategic investments in the Gulf.

“In 2011, ADIA ramped up its activity in the private equity space, like many big investors,” says Al-Qaimi. “I joined its direct investment team, and for the next few years, I was involved with direct investments in private equity and venture capital, as well as getting to know a lot of the big fund groups.”

After moving on in 2016, Al-Qaimi was approached by Kimera’s principal, who runs Taqeef, one of the biggest air conditioning companies in the Middle East. The two men already knew each other well, often meeting two or three times a year to discuss investing.

At the time, the principal’s wealth was being managed by global private banks. Tired of their lack of transparency and high (sometimes erroneous) fees, “he wanted to explore the idea of having his own family office,” according to Al-Qaimi.

“We had to redo the trust documents as one of the private banks had put them together incorrectly. We hired a private trustee, put a global custodian in place, opened brokerage accounts worldwide and put together our own internal investment team. We have four investment professionals, one operations manager and one office manager.”

Kimera’s portfolio is split 50/50 across liquid and illiquid assets. The investment team actively manages the equity portfolio and outsources credit instruments, such as CLOs, to third-party managers. In illiquid investments, the team invests in real estate through funds. It is in private equity and venture capital that its direct investing comes to the fore.

“Our investments tend to be more on the VC side. We also invest in established and emerging managers and co-invest alongside,” says Al-Qaimi, who sees Kimera’s network as a real edge by providing access to deals.

“When we look at companies, are they solving a real problem? And most importantly, do they have the right team that can execute? Sometimes you can come across a management team that can talk a great game, but when it comes to execution, it’s totally different,” he says.

Typically, investors build relationships with fund managers before exploring co-investment, but Kimera does things differently, partly because it has internal investment expertise.

“There are occasions where we have been impressed and then invested with that VC manager in their next fund. There have also been times where we see a big VC name behaving badly at the board and performing poorly. That us helped us to avoid committing to such funds, regardless of their reputation.”

This is not to suggest that general partner relationships are not a key element of the strategy.

Al-Qaimi explains that one emerging manager Kimera invests with came to them and said, ‘We have access to this company – would you be interested?’ They made the introduction, and it was because of our good relationship with the manager that we could invest in the capital table without paying any fees.

“We want to work collaboratively. We want alignment. We want everyone to be incentivized properly. We’re always looking for tangential opportunities. Recently, we invested \$5 million in a \$5.5 billion fund and another \$5 million in a private credit opportunity alongside the partners with personal money in the fund. We can punch above our weight because of our geographical network.”

Taking a direct investment approach can, if done properly, help family offices build stronger, mutually beneficial relationships with management teams and fund sponsors. In that sense, Kimera is very proactive in its decisions about private markets investing.

Al-Qaimi currently believes China represents a great opportunity to explore VC investments, although he cautions the need to be highly selective.

“We were very keen to get venture capital exposure in China,” he says. “Technology adoption there is unparalleled. But we found something wrong with the managers we talked to. Most of them were talking about valuations that were way too high for us.

That said: “I recently met with a Chinese manager focusing on the semiconductor space. It looks like a good theme, and we’ll further explore and diligence that manager.”

New business is also on the cards: “Three years ago, we started receiving several requests from other family offices to access our deal flow. As a result, we wanted to evolve into a multifamily office. We held multiple discussions with the principal about doing this, but he wants to remain as a single-family office.

“Accordingly we have agreed to part ways and I am now in the process of setting up a new family office in Dubai which should be launching in January 2023 to serve family offices globally.” Al-Qaimi will be happy to provide any support that is required by Kimera post-transition.

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