



## KKR Purchases Kobalt Capital's Fund II Music Rights Portfolio for Approximately \$1.1 Billion

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*Kobalt Music Publishing Will Continue To Administer the Portfolio Under a Multi-Year Agreement*

NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, and Kobalt Capital Limited ("Kobalt Capital" or "KCL") today announced that KKR, together with its co-invest partner, Dundee Partners, the investment office of the Hendel family, have purchased the KMR Music Royalties II portfolio ("Fund II" or the "Portfolio") from KCL for approximately \$1.1 billion. The Portfolio is comprised primarily of music publishing copyrights for established works and includes a diverse collection of over 62,000 copyrights by highly acclaimed artists and songwriters across Pop, Rock, Dance, Hip Hop, Country and other genres. Kobalt Music Publishing will continue to administer and service the works in Fund II under a multi-year agreement.

The transaction connects the works in the Portfolio with long-term owners who are deeply committed to respecting artists and investing in the longevity and global reach of their music. The transaction has been completed by Chord Music Partners ("Chord"), a platform established by KKR with Dundee Partners. KKR will also contribute other music assets purchased over the past year to Chord, positioning the platform as owner of a diversified portfolio of music rights representing some of the most iconic musical works from the last five decades. Music strategy firm mtheory was instrumental in the development of Chord.

"We are thrilled to purchase this diverse collection of iconic songs. We look forward to investing in the success of this music and working collaboratively with Kobalt and the artists and songwriters who created it," said Jenny Box, Partner at KKR. "This transaction positions us with significant scale, which we will continue to grow by providing flexible, creative capital to music rights owners. Across KKR, we are investing in innovative technology, media and entertainment businesses that are connecting fans to music in new ways and we are excited about how this can enhance the value and reach of these songs."

Kobalt Capital Chief Investment Officer and Kobalt Founder & Chairman Willard Ahdriz said: "When we launched Kobalt Capital in 2011, we wanted to work with music we loved and would continue to live on for many decades to come. Our announcement today acknowledges this focus, our predicted market development and the great work we have done at KCL. I am also proud that creators and rights owners put their belief in us to take care of their timeless music and represent it well. We are excited to welcome KKR and Dundee Partners as Kobalt Music clients as the new owners of the Fund II works."

Kobalt Capital CEO Johan Ahlström added: "This agreement represents a great outcome for our investors and, just as importantly, the ownership of these copyrights will be transferred seamlessly to new investors who share our commitment to putting creators first and being respectful stewards of great music."

"Kobalt Music Publishing will continue to act as the core administrator and synch licensing partner for the Fund II portfolio," said Kobalt CEO, Laurent Hubert. "We are excited to work with KKR, Dundee Partners and the many songwriters we have partnered with for years as we continue to deliver market leading service to all stakeholders to grow the reach of the music we all love."

Today, Kobalt Music represents over 600 publishers, more than 25,000 songwriters and over 700,000 songs. Kobalt will continue to build on its award-winning music publishing business and global digital collection society, AMRA.

KKR has broad experience investing in artist-centric businesses, including household names in the music industry such as Gibson Brands and Alpha Theta (f.k.a. Pioneer DJ), as well as leading digital media and content companies, such as ByteDance (TikTok), Jio Platforms (JioSaavn), Epic Games, OverDrive, RBmedia, ArtList, UFC, Leonine, Next Issue Media and Nielsen.

KKR is investing through its Dislocation Opportunities Fund and certain other private credit investment funds and vehicles. KCL was advised by Russell's. Music strategy firm mtheory advised KKR and Dundee Partners on the transaction. Latham & Watkins LLP and FTI Consulting advised KKR and DLA Piper, Manatt, Phelps & Phillips, LLP, Jefferies LLC and Inkling Capital, LLC advised Dundee Partners.

### **About KKR**

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

### **About Kobalt Capital**

Founded in 2010, Kobalt Capital Limited (KCL) is an investment advisory firm that focuses on music rights. KCL was created to give copyright owners a better way to sell their copyright and receive capital.

In 2011, KCL launched the world's first regulated music royalties investment fund. Kobalt Capital's investors include a range of prominent institutions and family offices. KCL has closed on 300 deals totaling over \$1.7 billion, which have delivered solid returns for its clients.

### **About Dundee Partners**

Dundee Partners is the investment office of the Hendel family. Known for their deep passion for supporting musicians, the Hendels have a long history of promoting and prioritizing artists through investments in highly acclaimed companies such as Partisan Records, Knitting Factory Entertainment, and Left Music Publishing. The family's love of music has led them to seek out ways to bring important artists to wider audiences, which included the creation of the Broadway hit Fela!, the award-winning musical that tells the powerful life story of Fela Kuti, the Nigerian activist and pioneer of Afrobeat music.

### **About Kobalt Music**

Kobalt is a music and technology company built for artists, songwriters, publishers and labels as an alternative to the traditional music business model. Across 13 global offices, Kobalt Music serves over 25,000 songwriters and 600 publishers, including Roddy Ricch, Max Martin, FINNEAS, Karol G, Andrew Watt, Stevie Nicks, Phoebe Bridgers, Enrique Iglesias, Paul McCartney, and many more. Kobalt represents on average over 40% of the top 100 songs and albums in both the US and the UK.

Through Kobalt's unique services and technology platform that tracks and collects royalties for the trillions of micro-payments in digital music today, the company continues to drive innovation in music and technology. Kobalt's latest innovation, AMRA, a global digital society, has reached all corners of the world outside of the US and includes direct digital collection for China, Brazil, and Japan and more.

### **About mtheory**

mtheory provides strategic, marketing, financial and operational advisory to talent managers, artists and entrepreneurs in the music industry. The company was founded in 2010 to help forward-thinking executives and artists navigate the rapidly-changing music industry landscape by providing added resources and knowledge required to be successful. mtheory's services include transaction advisory, strategic and digital marketing, tour marketing and production, music distribution, and product management. The company has offices in New York, Los Angeles and Nashville.

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