

[ABOUT](#) [APPROACH](#) [PORTFOLIO](#) [TEAM](#)

[CONTACT](#) [CAREERS](#)

A GLOBAL LEADER IN

HEALTHCARE INVESTING



ABOUT

DRI Capital manages private equity funds that purchase royalties from pharmaceutical and biotechnology companies, research institutions, universities, and inventors. DRI is a pioneer and global leader in royalty investing with well over U.S. \$3 billion in assets under management.

APPROACH

DRI Capital's strengths as counterparty in royalty monetization transactions include its:

- Relationship Oriented Approach
- Breadth of Knowledge
- Certainty of Deal Execution
- Access to Capital

[READ MORE](#)

[ABOUT](#)[APPROACH](#)[PORTFOLIO](#)[TEAM](#)[APPROACH](#)[CONTACT](#)[CAREERS](#)

**ROYALTIES AND
ROYALTY
MONETIZATION
EXPLAINED**

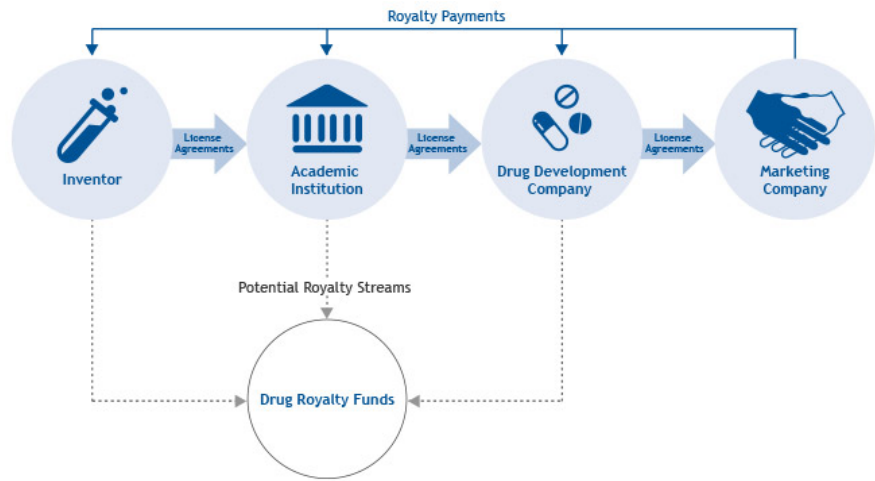
**BENEFITS OF
MONETIZATION**

INVESTMENT FOCUS

Royalties Explained

Royalty streams are typically created when an inventor, university, research institute, hospital or company (each a “Licensor”) enters into a license agreement to license its IP rights to a third party, such as a pharmaceutical company. As consideration for the use of the Licensor's IP in the development, manufacture or sale of products, such as pharmaceutical products, the Licensor is entitled to receive a royalty stream equal to a percentage of net sales of such products. The Licensor of the IP typically has little to no role in the development, manufacturing, marketing or selling of the product. As a result, the Licensors (and, through their acquisition of royalty streams, royalty monetization firms) usually play a passive role in the process of bringing products to market.

The diagram below illustrates how the licensing of IP throughout the product development process can create multiple royalty streams that can be purchased by DRI Capital's managed funds.

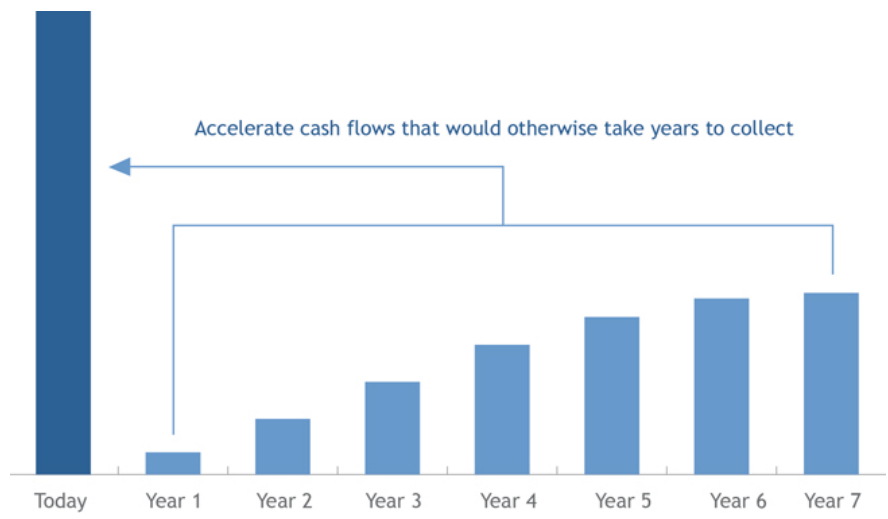


Royalty Monetization Explained

Since 1992, DRI Capital's pioneering efforts have resulted in royalty monetization becoming a key source of capital for owners of royalty streams to consider.

At its simplest, a royalty monetization is the upfront payment of cash by one of DRI Capital's managed funds to the royalty recipient in exchange for the royalty recipient's entitlement to receive future royalty payments. Royalty monetization transactions are both simple to execute and require limited time from the royalty recipient.

DRI Capital has the ability to structure its transactions in a variety of ways depending on the specific attributes of the royalty stream and the funding requirements and particular circumstances of each royalty recipient. While the simplest form of a royalty monetization transaction is a complete sale of all future royalties, DRI Capital will often complete a partial monetization where less than 100% of the royalty entitlement is sold by the royalty recipient. The royalties sold can be segmented in a number of ways, including by only selling a percentage of the royalty entitlement, by only selling royalties related to sales in specific geographies or specific indications, or by only selling royalties for a defined period of time. Depending on the particulars of the transaction, DRI Capital may also structure its transactions to permit royalty recipients to participate in the ongoing performance of the product through future milestone payments or sharing structures. Through its relationship driven approach, DRI Capital works with royalty recipients to understand their entitlements and to structure royalty monetization transactions to be mutually beneficial.



[ABOUT](#)[APPROACH](#)[PORTFOLIO](#)[TEAM](#)[ABOUT](#)[CONTACT](#)[CAREERS](#)

HISTORY

VALUES

NEW BUSINESS INITIATIVES

History

DRI Capital is a pioneer and global leader in healthcare investing and was the original innovator of the healthcare royalty market. The firm, originally called Drug Royalty Corporation, was founded in 1992 to purchase royalty streams on pharmaceutical products and to make healthcare equity investments. DRI believes that the concept of royalty investing originated in the Canadian mining sector and was first adapted to the life sciences markets at this time by Drug Royalty Corporation. In 1993, the firm was listed on the Toronto Stock Exchange and remained publicly traded until 2002 when it was purchased by its current owners and taken private. In 2006, DRI Capital successfully raised \$800 million (\$240 million in equity and \$560 million in debt) for its first managed fund, Drug Royalty I. With Drug Royalty I, DRI completed its transition to a private equity fund manager business model. In 2010, DRI successfully raised \$926 million of capital commitments (\$701 million in equity for its second managed fund, Drug Royalty II, and \$225 million in equity for Drug Royalty II Co-Investment Fund). On September 9, 2013, DRI announced the final closing of its third managed fund, Drug Royalty III, with US \$1.45 billion of equity commitments from a global pool of institutional investors. This is the largest healthcare royalty private equity fund ever raised, and gives DRI \$3 billion of purchasing power for Drug Royalty III.

As of June 30, 2013, Drug Royalty I and Drug Royalty II have collectively acquired 41 separate royalty streams from inventors, universities, research institutes, hospitals, biotechnology and global

pharmaceutical companies payable on 29 different leading pharmaceutical products. **In building this portfolio, DRI led the way with numerous milestone transactions, including the first transaction outside the United States, the first transaction with an individual inventor, the first transaction on a diagnostic, the first transaction on a life science tool and the first transaction involving a bundle of royalty streams. Further, DRI's managed funds have completed more repeat transactions with prior counterparties than any other royalty monetization firms, reinforcing DRI's leading reputation in the industry.**

Today DRI Capital is a fully-integrated team of more than 30 investment professionals and support staff with well over U.S. \$3 billion under management, focused on identifying, assessing, acquiring and managing biopharmaceutical royalty assets across the globe. Collectively, the professional team has over 150 years of experience. The team has individuals with backgrounds in the pharmaceutical industry, as well as in scientific, financial, healthcare, intellectual property and legal disciplines. This breadth of knowledge and training allows DRI Capital to identify unique potential investments and conduct its due diligence on such investments quickly and effectively.

DRI Capital is an indirect subsidiary of [Persis Holdings Ltd.](#), formerly known as Inwest Investments. Inwest was recently reorganized and renamed as Persis Holdings Ltd. Headquartered in Vancouver, Canada, in addition to its investment in pharmaceutical royalties through DRI Capital, Persis has made substantial investments in several other sectors, including land development, high rise development, shopping centres, retail real estate, entertainment royalties and retail.