



Press release

Paris / London, 15 May 2018

Rothschild Merchant Banking completes €655 million fundraising of Five Arrows Direct Lending

Rothschild Merchant Banking, a division of Rothschild & Co, is pleased to announce that it has completed the final closing of Five Arrows Direct Lending (“FADL”), its European mid-market direct lending fund.

The fund has secured total commitments of €655 million, comfortably in excess of its target, from a globally diversified group of insurance companies, pension funds and other blue-chip institutional investors, alongside a range of prominent family office and high net worth investors.

FADL provides customised debt financing for high-quality European mid-market companies, principally in the form of senior-secured unitranche facilities, addressing the financing gap faced by medium-sized corporates as banks have reduced their lending appetite and capacity for these borrowers.

In addition to supporting private equity sponsors in buyout, expansion and recapitalisation transactions, the fund also provides tailor-made direct lending solutions to family and entrepreneur-owned businesses with financing needs relating to acquisitions, expansion capital, refinancings and shareholder reorganisations.

Early deployment momentum has been strong and the fund is already more than 40% committed into seven high-quality transactions with attractive risk-reward profiles.

FADL is highly complementary with Five Arrows Credit Solutions (“FACS”), the high-yielding junior debt fund closed by the Direct Lending team in May 2014 with €415 million of total commitments. FACS is now close to fully invested into an attractive portfolio of mid-market borrowers and is delivering strong returns in line with its mandate.

Both FADL and FACS are managed by Martin Hook and Edouard Veber, with a highly experienced team split between London, Paris and Luxembourg.

FADL represents the latest offering within Rothschild Merchant Banking’s broader platform, which has more than €8 billion under management across the entire capital structure from private equity to private debt. This cohesive range of investment propositions makes the Rothschild Merchant Banking business a preferred partner for companies in need of financing and for private and institutional investors seeking to deploy capital across multiple strategies.

Marc-Olivier Laurent, Head of Rothschild Merchant Banking said, *“We are delighted with the success of the FADL fundraising, which has continued our track record of fund launches exceeding their fundraising targets. We are particularly pleased to have such a significant proportion of repeat investors from across the Merchant Banking platform. We believe that the combination of a highly experienced team led by Martin and Edouard, together with a focused investment strategy, targeting under-served European middle-market companies, and the added-value contribution of the Rothschild & Co network, made FADL an appealing proposition to a diverse group of sophisticated international investors.”*

For more information on FADL or Rothschild Merchant Banking’s Direct Lending activities:
<https://www.rothschild.com/en/merchant-banking/direct-lending/>

– ENDS –



For further information:

Rothschild Merchant Banking

Emma Rees

Tel: +44 7703 715763

emma.rees@rothschild.com

DGM Conseil

Thomas de Climens

Tel: +33 1 40 70 11 89 / +33 6 14 50 15 84

thomasdeclimens@dgm-conseil.fr

About Rothschild Merchant Banking

With a team of c.3,500 talented financial services specialists on the ground in over 40 countries across the world, our integrated global network of trusted professionals provide in-depth market intelligence and effective long-term solutions for our clients in Global Advisory, Private Wealth & Asset Management, and Merchant Banking. Rothschild & Co is family-controlled and independent and has been at the centre of the world's financial markets for over 200 years.

Rothschild Merchant Banking is the investment arm of the Rothschild & Co group. It deploys the firm's capital, alongside that of a select set of leading institutional and private investors. With global commitments in excess of €8 billion, Rothschild Merchant Banking manages a series of funds dedicated to corporate and secondary private equity, multi-managers funds and co-investments, as well as senior and junior credits.