



Press release

London and Paris, 14 October 2021

Final Closing of Five Arrows Debt Partners III at €1.4 billion

Rothschild & Co is pleased to announce that it has completed the final closing of Five Arrows Debt Partners III (“FADP III” or the “Fund”), its third European direct lending fund.

The Fund and its associated vehicles held its final close at €1.4 billion, comfortably ahead of target and significantly larger than its €655 million predecessor fund. Its investor base comprises 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. This is the 19th fund raised above its target by Rothschild & Co since the establishment of its Merchant Banking business in 2009. Total assets under management are now more than €17 billion across a range of funds dedicated to private equity and private debt investments.

FADP III provides customised financing solutions to European mid-market companies across the debt capital structure, ranging from senior-secured unitranche loans to junior instruments such as second lien, mezzanine and PIK facilities, as well as preferred equity structures. 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.

FADP III is the direct successor to the successful Five Arrows Direct Lending and Five Arrows Credit Solutions funds, all managed by Martin Hook, Edouard Veber and their experienced team split between London, Paris and Luxembourg. Early deployment momentum has been strong and the Fund is already more than 40% committed into eleven transactions with attractive risk-reward profiles. All of these transactions are in the core sectors of healthcare, education, software, data, and business and financial services, which the team has focused on since the inception of its direct lending strategy in 2013.

Martin Hook and Edouard Veber, Co-Managing Partners of the Fund, said:

“We are delighted with the success of the FADP III fundraising and are grateful for the trust and support from both our existing as well as new investors. We are particularly pleased to have such a significant proportion of repeat investors from our previous direct lending funds, as well as from the broader Merchant Banking platform.

We believe that the combination of our highly experienced team, proven track record and distinctive, focused investment strategy, together with the added-value contribution of the Rothschild & Co network, has made FADP III an appealing proposition to an enlarged and diverse group of sophisticated international investors. In common with each of the other funds in our Merchant Banking business, and in line with the strategic focus of the broader Rothschild & Co group, FADP III will continue to work hard to promote sustainability through its well-developed and proactive ESG approach.”

For more information on FADP III and our direct lending activities:

<https://www.rothschildandco.com/en/merchant-banking/direct-lending/>

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For further information:

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About Rothschild & Co, Merchant Banking

Rothschild & Co's Merchant Banking business manages over €17 billion of capital globally. This includes a series of funds dedicated to corporate and secondary private equity, multi-managers funds and co-investments, as well as senior and junior credit, with offices in Paris, London, New York, Los Angeles and Luxembourg.

Rothschild & Co is family-controlled and independent and has been at the centre of the world's financial markets for over 200 years. It has three business lines: Global Advisory, Wealth & Asset Management, and Merchant Banking.