



Press release

London, Paris, New York, 11 March 2019

Five Arrows Principal Investments closes third European private equity fund at its €1.25 billion hard cap

Rothschild & Co is pleased to announce that it has completed the final closing of Five Arrows Principal Investments III (“FAPI III” or the “Fund”), its third European corporate private equity vehicle. This is the 15th fund raised above its expected target by Rothschild & Co over the last 10 years, which brings the total assets under management in the Merchant Banking business to approximately €11 billion across four strategies: corporate private equity; senior and junior credit; primary and secondary fund investing; and co-investments.

The Fund was oversubscribed and reached its hard cap with total capital commitments of €1.25 billion. Investors in the Fund represent a globally diversified group of institutions, corporations, international family offices and entrepreneurs from Europe, North America, and Asia. Rothschild & Co, the partners and senior staff of the firm, and the Fund’s investment executives have also made a substantial commitment to FAPI III.

Marc-Olivier Laurent, Head of Rothschild & Co’s Merchant Banking Group, stated, *“We are delighted with the success of the FAPI III fundraising. We are grateful that the majority of our existing investor base, many of whom have been with us from the inception of our business, has chosen to re-commit capital to this Fund. We are, of course, also very pleased to welcome our new investors. I am confident that under the leadership of Javed Khan and Emmanuel Roth, the two Co-Managing Partners of the Fund, we will continue to bring the discipline and rigour needed for Five Arrows Principal Investments to deliver the type of risk-reward proposition that our investors expect from us.”*

This latest fundraising follows a successful 2018 for FAPI during which it exited from four investments, generating almost 5x multiple of invested capital in aggregate. In 2018, FAPI also invested in three deals in industry niches that the team has either a record of investing in previously and/or tracked over a period of time.

Javed Khan, Co-Managing Partner of FAPI commented, *“We are grateful to both our existing, as well as our new investors, for the trust they have placed in us. We are confident that our strategy of investing in enduring franchises that have both defensive characteristics and embedded growth, allied to our focus on innovatively deploying technology to drive value and build scale, will continue to serve our investors well over the coming years.”*

The focus of FAPI III’s investment strategy continues to be on lower middle-market companies across Europe valued between €75 million to €300 million. FAPI III specialises in investing in companies with strong market positions and management teams who care deeply about the companies they run; business models with high revenue and earnings visibility; and multiple operational levers that can be used to unlock latent value. The Fund’s sector focus is limited to healthcare & education, data & software and technology-enabled business services.

Emmanuel Roth, Co-Managing Partner of FAPI added, *“We are convinced that the pan-European breadth of our grass-roots operator network, together with the depth and reach of our firm’s brand, differentiates us in the European mid-market and is a key driver of our ability to source proprietary transactions. We hope we can continue to solidify our position as the partner of choice for founder-owners and management teams of the highly specific types of businesses in which we now have a decade-long track record of investing.”*



FAPI has a highly experienced team of 23 investment professionals with offices in London and Paris, made up of nine nationalities with 12 languages spoken. FAPI III will target equity tickets of €35 million to €100 million per transaction with the ability to commit significantly larger amounts in conjunction with the Fund's limited partners.

For more information on FAPI or Rothschild & Co's Merchant Banking Corporate Private Equity activities: <https://www.rothschildandco.com/en/merchant-banking/corporate-private-equity/>

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For further information:

Rothschild & Co Merchant Banking	DGM Conseil	Brunswick Group
Emma Rees	Thomas de Climens	Alex Yankus
Tel: +44 7703 715763	Tel: +33 1 40 70 11 89	Tel: +1 (917) 818-5204
emma.rees@rothschildandco.com	thomasdeclimens@dgm-conseil.fr	ROTHSCHILDandCoUS@brunswickgroup.com

About Rothschild & Co, Merchant Banking

Merchant Banking is the investment arm of the Rothschild & Co group, managing over €11 billion in capital globally. This includes over €3.4 billion dedicated to corporate private equity, as well as a series of funds dedicated to senior and junior credits, primary and secondary fund investing and co-investments, with offices in New York, Los Angeles, London, Paris 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.