



Press release

New York, London, Paris, 20 September 2018

Rothschild Merchant Banking Closes First US Private Equity Fund with Total Capital Commitments in Excess of \$655 Million

Five Arrows Capital Partners completes fundraising above target

Rothschild Merchant Banking, the investment arm of Rothschild & Co, is pleased to announce that it has completed the final closing of Five Arrows Capital Partners (“FACP” or the “Fund”), its first corporate private equity vehicle in the United States. This is the 13th fund raised by Rothschild Merchant Banking over the last 10 years, which brings the total assets under management to more than \$10 billion across four strategies: corporate private equity; senior and junior credit; primary and secondary fund of funds; and co-investments.

The Fund has secured total capital commitments in excess of \$655 million, above its target, from a globally diversified group of investors including institutions, corporations, international family offices and entrepreneurs. Rothschild & Co, the partners and senior staff of the firm, and the Fund’s investment executives have also made a substantial commitment to FACP.

Marc-Olivier Laurent, Head of Rothschild Merchant Banking stated, *“I am delighted that Five Arrows Capital Partners has received such strong support from both existing investors in our various funds, as well as investors new to our platform. This support is yet another endorsement of the highly specific investment philosophy which we have worked hard to build over the last decade in Europe. I am confident that under the leadership of Ari Benacerraf and Adam Lehrhoff, the two Co-Founding Partners of the Fund, we will bring the discipline and rigour needed for Five Arrows Capital Partners to deliver the type of risk-reward proposition that our investors expect from us.”*

The focus of FACP’s investment strategy will be on lower middle-market companies across North America valued between \$75 million to \$500 million. FACP specialises in investing in franchises with dominant 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 to unlock latent value. The Fund’s sector focus is limited to healthcare, data & software and business services with a particular focus on those companies that have scope for increased enablement of technology. Typically, FACP targets equity tickets of \$30 million to \$70 million per transaction with the ability to commit significantly larger amounts in conjunction with the Fund’s limited partners.

FACP has a highly experienced staff of more than 15 professionals, many of whom have worked together in their prior firms for over 15 years. Based in New York, the team is led by Ari Benacerraf and Adam Lehrhoff, Co-Founding Partners and members of the Fund’s Investment Committee. Like the other Five Arrows private equity funds, FACP will draw upon Rothschild & Co’s proprietary network of “grass roots” industry operators and global resources, both of which we believe are sources of significant competitive advantage relative to other US middle-market private equity funds.

To date, FACP has already completed two investments in healthcare and data & software, reflecting the sourcing power of the platform and the experience of the team. The Fund’s first transaction was completed in December 2017 with the acquisition of The Stepping Stones Group, a provider of therapy and education solutions to children with special needs / autism in educational settings. Since then, SSG has completed the add-on acquisition of the Cobb Group, a highly complementary business which has significantly enhanced the company’s position in the Southeastern United States. The Fund’s second investment was completed in April 2018 in Datix, a leading player in patient safety software. In July 2018, Datix signed an agreement to acquire the Toronto-based RL Solutions which makes the combined business the clear leader in patient safety software worldwide. Following the completion of this acquisition, FACP will have deployed c.15% of its committed capital.



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

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About Rothschild Merchant Banking

Rothschild Merchant Banking is the investment arm of the Rothschild & Co group, managing over \$10 billion in capital globally. This includes over \$3 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.

About Rothschild & Co

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