

News Release

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Alcentra Announces the Final Closure of its Second European Direct Lending Fundraising

Commitments of €4.3bn reflects strong demand for non-bank lending to the European Market

LONDON, 7 March 2017 – Alcentra Limited (“Alcentra”), the alternative fixed income specialist for BNY Mellon Investment Management (IM), announced the final close of its second European direct lending fundraising. This fundraising has brought recent commitments to €4.3bn across funds and separately managed accounts. The firm’s committed capital for the strategy now exceeds €5.7bn.

The fundraising is part of the broader Direct Lending strategy that Alcentra has been offering to institutional investors since 2003. To date, Alcentra has invested over €5.3 billion in middle market companies across senior debt, unitranche, second-lien, mezzanine and equity investments.

Alcentra has been sourcing and arranging financings to middle market businesses in Europe since 2003. Alcentra was one of the first investment managers selected to participate in the HM Treasury Business Finance Partnership initiative in 2012. The closure of the second EDL fundraising follows that of Alcentra’s first EDL Fund in November 2014, whose committed capital for the strategy exceeded €1.5bn.

Graeme Delaney-Smith, Managing Director and Head of European Direct Lending for Alcentra, said:

“It is an exciting time for direct lending. In recent years we have seen a growing interest from European companies and financial sponsors to partner with non-bank asset managers to access financing solutions. We believe that Europe represents one of the best opportunities in this space. Banks have had to increasingly focus on improving their capital ratios and as a result have been unable to lend to businesses to the extent they used to. This has created the opportunity for investment managers with credit and structuring expertise like Alcentra to provide financing to quality businesses. Our direct lending platform has gone from strength to strength and our Fund, with such significant capital committed by investors, is the latest proof.”

Jack Yang, Global Head of Business Development at Alcentra, said:

“Globally, institutional investors are looking for meaningful, long-term returns. Private lending is becoming a key strategy for them, given the potential for equity-like returns and the income and capital

preservation of debt. I am very pleased with the strong interest that this Fund has generated amongst investors. The level of participation from pension funds, insurers, and not for profit organisations, is indicative of the growing popularity of this asset class and is strong recognition of Alcentra's leadership."

Alcentra Group is a global asset management firm with assets under management of approximately \$31bn¹. It is considered to be one of the largest managers of private debt in Europe, and has received awards, including the "Best European Direct Lending Fund" by Creditflux Manager Awards 2015, the "Direct Lender of the Year Europe 2014" and the "Deal of the Year Europe 2014" by Private Debt Investor."

Notes to editors:

Alcentra Group is a global asset management firm with assets under management of approximately \$31bn¹. Alcentra Group has an investment track record that dates back to 1998. Strategies include: senior loans, high yield bonds, direct lending, structured credit, distressed debt, and multi-strategy credit. Alcentra Group is owned by The Bank of New York Mellon Corporation and is headquartered in London, with offices in New York and Boston.

BNY Mellon Investment Management is one of the world's leading investment management organizations and one of the top U.S. wealth managers, with \$1.6 trillion in assets under management². It encompasses BNY Mellon's affiliated investment management firms, wealth management services and global distribution companies. More information can be found at www.bnymellon.com.

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¹ Alcentra Ltd and Alcentra NY, LLC (collectively "Alcentra Group") are subsidiaries of BNY Alcentra Group Holdings Inc. The Bank of New York Mellon Corporation ("BNY Mellon") holds 100% of the Alcentra Group. Assets under management reflect assets of all accounts and portions of accounts managed by Alcentra Group for Alcentra and assets managed by Alcentra Group personnel for affiliates under dual officer arrangements.

² As of 31 December 2016