

News Release



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Alcentra Announces its Participation in HM Treasury Business Finance Partnership

LONDON and NEW YORK - 06 December, 2012 – Alcentra, BNY Mellon's boutique specializing in sub-investment grade debt capital markets in Europe and the United States, is one of four investment managers selected to participate in HM Treasury's "Business Finance Partnership" initiative, pursuant to which initially up to £200 million of financing will be provided to high quality, middle-market UK companies in the form of secured loans comprising first lien senior, uni-tranche, mezzanine and mezzanine-related investments. The arrangement with HM Treasury is the first part of Alcentra's European direct lending strategy.

Alcentra aims to grow the strategy over the next 12 to 15 months and to provide a pool of capital for investment in middle market businesses across Europe.

"Alcentra believes that the middle market sector provides an important contribution to the UK and European economies," said David Forbes-Nixon, chairman and chief executive officer of Alcentra. "We believe that the reduced participation in this sector by traditional banks provides an attractive opportunity for private capital to earn favorable risk-adjusted returns by providing financing in their place."

Alcentra will seek to invest a majority of the capital in senior and uni-tranche loans and a minority in mezzanine and mezzanine-related investments typically in middle-market cash generative businesses. The financing is expected to support leveraged buyouts (LBOs), corporate requirements and the provision of development capital.

The focus will primarily be on companies with leading and defensible market positions, stable and predictable cash flows, non-cyclical industries, and experienced management teams and typically with an annual consolidated global turnover of up to £500 million in respect of their continuing operations. The average investment size is expected to be in the range of £10 to £25 million across all loan tranches per entity invested in.

David Forbes-Nixon added: "We are honoured to have been selected to participate in HM Treasury's Business Finance Partnership initiative. We strongly support its objective of boosting the availability of finance to middle market businesses by encouraging the involvement of private capital in this sector. We are excited about the role we can now play providing development capital for middle market businesses in the UK".

Alcentra has substantial experience lending to leveraged companies in the UK and across Europe through broadly syndicated senior and mezzanine facilities and directly originated senior and mezzanine transactions. Where required, they can structure such loans in compliance with local laws or regulations.

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Notes to Editors:

Alcentra is an asset management and investment group focused on sub-investment grade debt capital markets in Europe and the United States. The group has an investment track record that dates back to 1998 and spans across 48 separate investment funds totaling approximately \$15.1 billion. Alcentra is more than 97.2 percent owned by BNY Mellon and 2.8 percent owned by the employees. 'Alcentra' refers to both Alcentra Limited and Alcentra NY, LLC. Assets under management include assets managed by both companies. More information can be found at www.alcentra.com.

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