

# News Release

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## **Alcentra Closes Significant Capital Raise for its European Direct Lending Strategy**

***Record €5.5 billion raise reflects strong investor demand, Alcentra's track record of deployment and returns***

LONDON, 22 July 2019 – Alcentra, one of Europe's largest and longest tenured managers of private debt and part of BNY Mellon Investment Management, has announced the close of its latest European direct lending capital raise.

The firm has raised €5.5 billion<sup>1</sup>, nearly double its minimum target size of €3 billion, reflecting strong demand from investors, which includes a broad range of institutional investors from Europe, Middle East, US and Asia. This round of fundraising is now closed to new investors. The fundraising brings assets under management for Alcentra's European direct lending platform to over US\$10 billion, and the firm's total AuM to US\$39 billion<sup>2</sup>.

The direct lending strategy provides investors with access to largely pan-European private credit investment opportunities across a wide range of sectors, focusing mainly on senior debt. The team of 28 investment and portfolio monitoring professionals aims to generate attractive, risk adjusted returns by lending to largely sponsor-owned middle market businesses.

As a benefit of the scale of this strategy, Alcentra is able to invest in a wide range of transaction sizes and types, with positions of €20 to €300 million in leverage buyouts, management buyouts, recapitalizations, refinancings, buy-and-build, and other financings for businesses of generally up to €1 billion in enterprise value.

The most recent fundraising is part of the broader direct lending strategy that Alcentra has executed since 2003. To date, Alcentra has invested over €8.9 billion in 229 middle market companies across senior debt structures, unitranche, second-lien, mezzanine and equity investments.

**Vijay Rajguru, global chief investment officer at Alcentra, commented:** "Our track record as a pioneer in European direct lending, coupled with the underlying demand in this growing asset class, has driven the record demand for our latest direct lending offering. It demonstrates that institutional investors are seeking to gain access to the compelling, stable long-term returns that this strategy can offer."

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<sup>1</sup> Source: Alcentra, as at 17 July 2019

<sup>2</sup> Source: US\$38.97 billion, Alcentra as at 31 May 2019. The term "and/or Alcentra Group" refers to both Alcentra NY, LLC and Alcentra Limited. Assets under management reflect assets of all accounts and portions of accounts managed by Alcentra for Alcentra and its affiliates. Specifically, certain assets under management reflect assets managed by Alcentra personnel as employees of The Bank of New York Mellon Corporation, Mellon Investments Corporation ("Mellon"), and BNY Mellon Investment Adviser, Inc. under a dual employee arrangement.



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**Peter Glaser, co-head of European direct lending at Alcentra, said:** “Our large and growing direct lending team has deep experience in the sourcing, evaluation, structuring and management of credit investments. This expertise and access to a broad universe of opportunities facilitates the creation of a high quality, diversified portfolio focused largely on senior debt. We take a conservative and prudent approach to credit selection, lending to stable businesses aiming to provide investors with attractive returns relative to risk.”

**Graeme Delaney-Smith, co-head of European direct lending at Alcentra, added:** “We are primarily a sole lender to our borrowers, which allows us to deploy significant capital with speed while maintaining close control and oversight of our investments. We continue to see a steady pipeline of high quality investment opportunities for this newly raised capital.”

**Ends**

**Notes to editors:**

**About Alcentra**

Founded in 2002, Alcentra is one of Europe's largest and longest tenured managers of private debt with US\$38.97 billion under management, as at 31 May 2019. Strategies include senior loans, high yield bonds, direct lending, structured credit, distressed debt, and multi-strategy credit. Alcentra is a subsidiary of The Bank of New York Mellon Corporation and is headquartered in London, with offices in New York, Boston and San Francisco as well as representatives in Singapore and Hong Kong.

**BNY Mellon Investment Management** is one of the world's largest investment managers, and one of the top U.S. wealth managers, with US\$1.8 trillion in assets under management as of June 30, 2019. The firm is built around delivering to investors a “best of both worlds” approach: the expertise and world-class capability of our individual investment managers, wedded to a global geographic footprint, and guided by an unshakable commitment to financial stewardship. BNY Mellon Investment Management encompasses BNY Mellon's affiliated investment management firms, wealth management services and global distribution companies.

**BNY Mellon Investment Management** is a division of BNY Mellon, which has US\$35.5 trillion in assets under custody and/or administration as of June 30, 2019. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on [www.bnymellon.com](http://www.bnymellon.com). Follow us on Twitter @BNYMellon or visit our newsroom at [www.bnymellon.com/newsroom](http://www.bnymellon.com/newsroom) for the latest company news.

The Bank of New York Mellon Corporation holds the majority of The Alcentra Group, which is comprised of the following affiliated companies: Alcentra Ltd. and Alcentra NY, LLC. are registered with the U.S. Securities & Exchange Commission under the Investment Advisers Act of 1940. Alcentra Ltd is authorized and regulated by the Financial Conduct Authority – Registration number 196845 - and regulated by the Securities Exchange Commission – Registration number 801-74223. Registered office for Alcentra Ltd is 160 Queen Victoria Street, London, EC4V 4LA, UK. Alcentra NY, LLC is regulated by the Securities Exchange Commission – Registration number 801-62417. Registered office for Alcentra NY, LLC is 200 Park Avenue, New York, NY 10166, USA. Assets under management reflect assets of all accounts and portions of client accounts managed by Alcentra and its affiliates.

As a fund managed by an affiliate of BNY Mellon, a regulated entity, Alcentra European Direct Lending (Levered) Fund III's activities may be subject to certain limitations that may not be applicable to an investment entity unaffiliated with a regulated entity. Additionally, under the Dodd-Frank Wall Street Reform and Consumer Protection Act and certain provisions therein known as the “Volcker Rule” (as it may be amended, and together with the regulations to be promulgated thereunder, the “Dodd-Frank Act”), certain conditions and / or restrictions related to the operations of the Fund and its affiliates may be applicable, and BNY Mellon may be prohibited from engaging in certain transactions with the Fund and / or the portfolio investments.

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