



Private Markets Advisors

SUMMARY

Jasmin Capital ends its 8th fund raising

- Over four years, Jasmin Capital has realised eight successful fund raisings, for funds with sizes between €45m and €2.5bn, brought European, North American and Asian investors to Growth, Buy-out, Venture Capital, Mezzanine and Infrastructure funds.
- Jasmin Capital has received more than 20 awards, including Best French Placement Agent by ACQ Magazine from 2011 to 2014 and Best Private Equity Advisory Firm in France by InterContinental Finance.
- The 5-person team has specific know-how in private equity and infrastructure:
 - ▶ Gatekeeper for family offices and institutional investor
 - ▶ Placement Agent
 - ▶ Marketing Advisor
 - ▶ Advisor for secondary transactions
 - ▶ Mergers & Acquisitions on Private Markets Investment Managers



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Fundraising News

by Jean-Christel Trabarel, Partner at Jasmin Capital



Private equity funds have raised approximately \$400 billion over the first ten months of this year. This fundraising has been supported by exceptionally low sovereign bond rates, which favour diversified investments like private equity, and a high distribution level of proceeds.

The main contributors to this fundraising are multi-billion funds. Indeed, a tenfold of funds of over three billion dollars announced their final closing in October, namely in North America and Asia*. In Europe, Bain Capital Europe IV closed at its hard cap of €3.5bn, and Bridgepoint Capital V as well as PAI VI, currently in the process of fundraising, are both already at €2.8bn.

These mega funds benefit from the general trend followed by the major investors who have downgraded the relationship with fund managers to focus on the best teams, namely with regards to track record or differentiating investment strategies. Average investment tickets are therefore increasing, with a strong focus on the top quartile funds or those perceived as such: "over-performing funds".

Investors are more attracted by some specific segments in the private markets. Buy-out funds remain the primary allocation in terms of value, given their high capacity at generating high cash-on-cash multiples. Growth capital funds, which are the second allocation, represent only one third of Buy-out funds.

Infrastructure funds come in third position as their "brownfield" funds are more and more sought out by institutional investors given the cash yield generated.

Secondary funds continue to develop with an increasing number of vendors. These secondary transactions have now become "classic" and are relevant to good portfolio management. High IRRs together with low average durations are attracting more and more investors.

Venture capitals, in fifth position, have performed very well thanks to recent IPOs and industrial exits.

Investors find mezzanine funds attractive given the risk/return profiles associated with a duration lower than that of Buy-out.

Finally, primary funds of funds are still under pressure in terms of management fees. To remain attractive they are developing new investment strategies such as infrastructure, emerging markets and co-investments.

Although Buy-out funds remain essentially the first choice in the private markets, these other investment strategies can provide good diversification for the investors.

2014 should be a good year for fundraising, with a worldwide estimation at \$450bn, which is good news for the financing of the real economy.

* Hellman & Friedman VIII (\$10.9bn), Centerbridge III (\$6bn), Vista V (\$5.8bn), BDT Capital (\$5.2bn), Strategic Partner VI (\$4.4bn), New Mountain Capital (\$4.2bn), Warburg Pincus Energy (\$4bn), Carlyle Asia IV (\$3.9bn), Baring Asia VI (\$3.9bn), Apollo Credit Opportunity III (\$3.4bn), First Reserve XIII (\$3.4bn).

Private Equity

INTERVIEW

ACTO
MEZZ



Stéphane Bergez
Managing Director

What feedback can you give us on the current fundraising?

We are glad to say that there has been renewed interest from the French institutional investors for private equity after a very difficult period in 2011-2013. However, attracting foreign investors in France remains very challenging namely because of the fiscal instability, but also because of the «French bashing», unfortunately still present. Furthermore, as our interlocutors are over-solicited, we must, more than ever, be able to quickly arouse their interest through solid track-record as well as clear and concise strategy and positioning.

How does the exchange with your investors take place, what are their expectations?

Our investors join ActoMezz because we have a highly experienced team who can operate on three levels: mezzanine / sponsorless / lower midcap France. They first expect us to be “disciplined” and to deploy the strategy announced. They also appreciate our efforts regarding the communication of quarterly reporting, which are always accurate and complete, transparent intuitu personae communication, and most of our investors also appreciate our on-going ESG (Environment, Social and Governance) actions.

In the coming years, what developments do you expect on the private equity and private debt markets?

In the next five years there should be an increase of the concentration on our industry. On the one hand, some teams may disappear, by lack of track-record, and on the other hand some fund managers should join in order to mutualise quality support functions: those responsible for compliance and internal control, investor relation, administration and finance and human resources. These functions are essential to stay in the game. Personally, I believe the market will be divided in two: first, the local fund managers with differentiated strategies, second, the “global” pan-European funds that have high deployment capacities with more general strategies. This development is valid for equity, mezzanine and private debt.

Jasmin Capital supported
ACG Capital in the
fund-raising of
ActoMezzanine II



What we do

Advisor for Family Offices and Institutional Investors

- Reviewing and analyzing portfolios
- Defining targeted investment strategy
- Implementing and monitoring investment strategy

Placement Agent

- Identifying prospective LPs
 - Assisting with the writing of marketing documents: slide show, PPM, DDP, DDQ
 - Managing fundraising process
- ▶ Organizing and preparing meetings with LPs
- ▶ Following up on the LPs

Marketing Advisor

- Advising on creation of funds: structuring, investment strategy, competitive benchmark, product testing
 - Image/Perception Study
- ▶ Analyzing how the management team is perceived by LPs, CEOs, etc.
- ▶ Marketing approach to put in place with regards to LPs typologies

Secondary Transaction

- Investments valuation
- Sale of shares of private markets funds or portfolios of direct company stakes

Mergers & Acquisitions on Private Markets Investment Managers

- Buy-side or sell-side Advisors
- Business valuation, negotiation, pricing and structuring of transactions