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LGT Capital Partners to acquire European Capital

Pfaeffikon/Zurich, 3 March 2017 – LGT Capital Partners Ltd., a leading alternative investment specialist, will acquire European Capital Fund Management Ltd. (European Capital), a London- and Paris-based private debt manager from companies controlled by Ares Management L.P. Subject to regulatory approvals, the transaction is expected to close in the second quarter of 2017.

In partnering up with European Capital, LGT Capital Partners will strengthen its investment competency in private markets and further enhance its offering. The transaction encompasses all private debt funds managed by European Capital and a team of more than 20 specialists.

Continuity and further growth of private debt business

With this strategic move, LGT Capital Partners complements its private markets offering and enhances one of the core competencies of the firm. Clients will benefit from access to European private debt solutions with a strong track record. “We are pleased to attain such an experienced team that has built a strong reputation in this area over many years. With its dedicated focus on small and mid-market direct lending, and its diligent investment approach, we see a very good fit with our investment philosophy. The private debt team will continue to be led by the existing four partners, Matthew Gordon Clark, Etienne Haubold, Stephane Legrand and Juan Carlos Morales Cortes,” explains Roberto Paganoni, CEO of LGT Capital Partners.

“After developing the business as a team over the last 11 years, we are very pleased to join LGT Capital Partners. We are convinced that LGT Capital Partners’ reputable, international platform will enable us to jointly accelerate the growth of the private debt business,” emphasizes JC Morales Cortes, Partner of European Capital.

As part of the transaction, LGT Capital Partners will also be a syndicate investor in two private debt funds managed by European Capital.

The purchase price for the transaction will not be disclosed.

Berkshire Capital acted as financial advisor for LGT Capital Partners and Credit Suisse acted as financial advisor for Ares Management.

Ends

**LGT Capital Partners**

LGT Capital Partners is a leading alternative investment specialist with over USD 55 billion in assets under management and more than 450 institutional clients in 36 countries. An international team of over 370 professionals is responsible for managing a wide range of investment programs focusing on private markets, liquid alternatives and multi-asset class solutions. Headquartered in Pfaeffikon (SZ), Switzerland, the firm has offices in New York, Dublin, London, Vaduz, Dubai, Beijing, Hong Kong, Tokyo and Sydney.

European Capital

European Capital, through its asset management business, provides senior debt, unitranche, subordinated debt and equity co-investments to small and mid-size companies headquartered predominantly in Europe. European Capital is a wholly owned affiliate of American Capital, Ltd. (recently acquired by a subsidiary of Ares Capital Corporation). European Capital manages EUR 700 million of assets across three funds.

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