

PRESS RELEASE

YIELCO raises Private Equity fund of fund for Special Situations worth approx. USD 500m and strengthens management board with Private Debt expert.

Munich, 21st June 2018 – YIELCO Investments AG, a specialized investor in alternative assets, has successfully established its Private Equity fund of fund strategy with a focus on special situations. Raising a total of USD 500m in capital the original target volume of USD 300m was significantly exceeded.

YIELCO Investments AG, a financial service provider focused on investment solutions for Infrastructure, Private Debt and Private Equity (Special Situations), has successfully held its final closing of the US focused multi manager program "YIELCO Special Situations" on 15th June 2018 with commitments of approximately USD 260m. Due to YIELCO's management partners' experience and track record (having successfully invested in the relevant segments since 2005), a group of highly experienced German insurance companies and pension funds could be gained as investors.

The investment programs with a tranche for Europe and one for the USA enable cycle-independent attractive investments by focusing on complex transactions with high operational added value of the fund managers. Investments are made with comparatively low levels of debt and entry valuations well below the market average. Market research shows that the risk of capital loss for such special situations transactions is significantly lower than for traditional leveraged buyouts, specifically due to lower leverage ratios.

Dr. Peter Laib, Co-Head Private Equity, is convinced: "The currently visible overheating in traditional buyouts can best be countered with special situations strategies which avoid high valuations (EV multiples of 4-7x EBITDA instead of 10-11x EBITDA). Another advantage is that managers specialized in complex transactions actively continue investing during a market correction expected in the medium-term. This is the only way investors can profit from dropping entry valuations during the crisis. Most traditional buyout managers, however, show a very low investment activity during this phase as seen in the years 2009/2010."

YIELCO has been investing capital raised for the program's US tranche since 2016 and will be fully committed by the end of 2018. Accordingly, the successor product "YIELCO Special Situations II" with the same strategic focus will be launched at the end of 2018. The European tranche was launched mid of 2017 and has a maximum volume of EUR 225m. To date over EUR 200m of capital has been raised. With the fourth fund commitment to be executed shortly, YIELCO Special Situations Europe is currently in the middle of its investment cycle.

To further strengthen the management team, Boerge Grauel was recently appointed as a member of YIELCO Investments AG's management board.

Mr. Grauel previously served as managing director at Golding Capital Partners, where he was a senior executive responsible for the globally focused Private Debt investment program. With more than eleven years of investment experience in this asset class, he will be co-heading the Private Debt program at YIELCO.

Boerge Grauel comments: "I am delighted to support YIELCO's clients in successfully implementing yield-oriented investment solutions in private debt. In the past years the asset class has received widespread global approval from institutional investors. Given the cyclical nature of the credit market and the increasing risk in the market recently, long-term market knowledge and experience in selecting managers are indispensable for sustainably achieving attractive returns. My expertise gained from more than 70 fund investments worth two billion Euro in this segment – especially across the full credit cycle – will further complement YIELCO's outstanding know-how."

About YIELCO Investments AG

YIELCO is an independent, globally active, specialized investor and service provider in private markets investments. The organization services approximately EUR 2.7bn of capital commitments of institutional investors and family offices in the segments Infrastructure, Private Debt and Private Equity.

YIELCO Investments AG

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