

Name
Alcedo III
Closed on
€178m
November 2008
Focus
Buyout, growth capital

Alcedo reaches final closing of its third fund

Fund

Alcedo Sgr has reached the final closing of its third fund Alcedo III at €178m. The fund launched in December 2007 and had an original target of €150m. Based in Italy, the fund has a 10+1+1 lifespan.

Contact

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Advisers

Capstone Partners (Placement agent)
Canelutti (Legal)
Shearman Sterling (Legal)

Minimum subscriptions were set at €4m with the GP contributing €3m (1.7%) to the fund. Management fees, carry and hurdle have been set at industry standards.

Preliminary aggregate results for Alcedo's previous two funds Cardine Impresa and Epta Sviluppo put the IRR at 33% with a 3x multiple. Capstone Partners acted as placement agent while Canelutti and Shearman Sterling provided legal advice for Italian and foreign investors respectively.

Investors

The vehicle was able to obtain the support of an important number of new investors, both Italian (56%), and foreign (19%) – mostly from Luxembourg. Investors to the fund include the European Investment Fund, which contributed €25m. Among the other backers are: Veneto Banca, Palladio Finanziaria and the Cassa di Risparmio di Padova e Rovigno foundation, as well as Credito Trevigiano. Commitments to the fund come from: banks and banking foundations (22%); funds-of-funds (18.5%); institutional investors (12.8%); and private individuals (45%).

Investments

The fund will carry out growth capital deals in Italian SMEs (companies valued up to around €120m). Alcedo will take majority and minority equity positions in a company, often with a little recourse to leveraged financing. It will invest €10m per deal on average, carrying out 10-15 transactions over the investment phase. Alcedo III has already carried out three investments from this fund: Lafert (July 2008), a B2B electric motors manufacturer; OCN (July 2008), a specialist in machinery for the steel industry; and Gimi (October 2008), a producer of durable household items.

People

The fund will be managed by the Alcedo team, comprised of three managing partners, five partners, two analysts and one investment manager. The firm will seek to hire two further investment managers.

