

Cairngorm Capital successfully raises its second fund with commitments of GBP 107.5 million

London, 6 April 2017: Cairngorm Capital Partners is pleased to have closed successfully its second fund – **Cairngorm Capital II** – at its £107.5 million hard cap. The fund, which was oversubscribed, is now fully operational.

Cairngorm Capital has been backed by a consortium of leading, long-term, international institutional investors, consisting of several prestigious European funds of funds and US university endowments. Cairngorm Capital is particularly gratified that each of the institutional investors in its first fund increased their commitment to Fund II. Additionally, in line with Cairngorm Capital's investment philosophy, a significant investment was made by the firm's principals.

The launch of the second fund continues Cairngorm Capital's ongoing and carefully controlled expansion of its business. This follows an intensely active period, which has seen the company complete six investments since July 2016 in its first fund and increase investor support. Ahead of the raising of Fund II, investors in Cairngorm Capital's first fund, which closed in September 2015 at £52.5m, increased committed capital by 40% to £73.5m, enabling Fund I portfolio companies to pursue a number of compelling bolt-on acquisitions.

Now with committed equity capital in excess of £180m, Cairngorm Capital's investment team is increasing the pace of investment activity, as well as the number of investment opportunities that it evaluates. Drawing on a proven investment strategy, the fund will invest in well performing, UK headquartered, mid-market companies, earning operating profits of £2 million – £20 million in manufacturing, distribution and services industries. Cairngorm Capital is interested in firms that can weather economic volatility, have shown consistent historical growth and have significant future growth prospects. A priority is the quality and success of the management team, as Cairngorm Capital builds and realises value through growth and operating improvements, rather than through financial engineering.

Cairngorm Capital was advised on its fund raising by Acanthus Advisers. Managing Partner, **Wilf Wilkinson** said, *"Each of Cairngorm Capital's investors renewed and increased their trust and confidence in the team's ability to deliver on a distinctive and focused strategy for operational value-creation and growth. Recognition of the sheer strength of the offering that Cairngorm Capital is able to bring to its investee companies is what enabled us to raise Fund II so quickly."*

Andrew Steel, Managing Partner of Cairngorm Capital, commented *"Much has been achieved since the launch of our maiden fund 18 months ago. We have built a talented team of investment professionals and operating partners, who together have developed a portfolio of high-quality businesses. Cairngorm Capital team members are working hard with the managers of our portfolio companies to deliver significant success. The possibilities offered by this second fund and by our team's ability to capitalise on them excite and motivate us. We are grateful for the continued support and commitment of our investors."*

Lee Hess, Chairman of Cairngorm Capital added *"We have built a terrific team and developed a proven investment strategy, generating confidence in our investors and thus, their ongoing support. Although we will be investing a larger fund, we will continue the same disciplined investment selection and thoughtful buy-and-build strategy for our second fund, so that we continue to deliver strong and consistent returns."*

Acanthus Advisers, as exclusive placement agent, advised Cairngorm Capital on the fundraising and Fried, Frank, Harris, Shriver & Jacobson LLP provided legal advice.



Cairngorm Capital

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Notes for editors

Cairngorm Capital Partners LLP is a specialist private investment firm providing equity capital and management expertise to leading UK companies. It invests in well-performing, private mid-market growth companies in manufacturing, distribution and services industries. The firm's goal is to build and realise value through growth and performance improvements. Cairngorm Capital's unique mix of sectoral expertise and investment skill enables it to be actively involved in the strategy and operational focus of portfolio companies, partnering with management teams to grow revenue, enhance margins, improve cash flow or consolidate industry leadership positions.

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