

Northill Capital to acquire majority interest in Capital Four

London, 18 January 2016 – Northill Capital (Northill) has announced today that it has agreed to acquire a majority interest in Capital Four Holding A/S (Capital Four)¹. Capital Four is an industry-leading European High Yield asset management firm, based in Copenhagen, with an award winning performance track record and approximately EUR6 billion² of assets under management. Northill's investment in Capital Four is consistent with its strategy to invest over the long term in high quality, single-purpose asset management businesses.

Northill's investment in Capital Four represents approximately 60% of the firm's equity, with existing partners Sandro Näf, Torben Skødeberg and Henrik Østergaard maintaining ownership of approximately 40%. As a result of the transaction, Northill will have indirectly acquired all the equity previously owned by a recently retired partner of the firm, with the balance of the equity also being acquired from the existing partners. Additional employees of Capital Four retain indirect equity exposure through the firm's warrant programme and will participate in a long-term incentive plan to increase their ownership stakes going forward.

Capital Four was founded in 2007 and manages European High Yield strategies across High Yield Bonds, Leveraged Loans, Credit Long/Short and Direct Lending predominantly on behalf of institutional investors. It is the largest independent high yield investment manager in Europe. Credit views are consistently expressed across the firm's strategies, which benefit from the same rigorous fundamental bottom-up credit selection and analysis process first established in 1999. Capital Four's European High Yield strategy has continued to achieve strong returns for investors, and has consistently outperformed its benchmark since inception.

Northill's approach is to ensure that culturally and operationally existing management teams retain the autonomy to continue to run their business. Capital Four will remain in Copenhagen, enabling it to preserve its distinctive culture and location, which provides a favourable vantage point on a complex and fast growing European credit investment universe.

Capital Four will retain day to day operational independence and members of the Northill management team will join the Capital Four Board of Directors. The current partners will continue with the firm while the number of equity owners will grow over time to reflect the further development of Capital Four's strong talent pool. Existing Capital Four equity owners will hold their remaining equity for a minimum of five years, and in addition, each will reinvest a minimum of half of their after tax proceeds in Capital Four's investment strategies.

Jon Little, Partner, Northill Capital LLP, said:

"Capital Four is a highly successful firm with an outstanding, award-winning performance track record and a disciplined, repeatable investment process. The partners have worked together for almost 15 years as dedicated high yield investors and are amongst the pioneers of the asset class.

"The business has built a very talented, collegial team we like and respect, with an investment-led, 'no stars' culture, and is committed to the continuous progression of its capabilities.

"Capital Four has a diversified client base and excellent business momentum with substantial international potential. As an owner alongside management, our focus is on being a long-term supportive partner, working jointly with Capital Four to ensure the business continues to grow and develop whilst maintaining its strong investment performance."

Sandro Näf, Chief Executive Officer and Co-Founder, Capital Four, said:

“Capital Four’s partnership with Northhill is a strong cultural fit and will ensure that the continued development of our business and team happens seamlessly whilst preserving our proven investment process, focus on self-development and principal commitment to serving our clients.

“Northhill’s engagement ensures that Capital Four will continue as an independent firm where existing management continues to run the business, and will enable us to more readily broaden equity ownership to the firm’s future leaders.

“This is an exciting collaboration for Capital Four which brings highly complementary experience to our business and we look forward to working together.”

Spencer House Partners LLP acted as financial advisors to Capital Four.

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About Northhill Capital

Northhill Capital, an independent, privately held asset management business, was established in London in 2010 by Jonathan Little, former Vice-Chairman of BNY Mellon Asset Management, with substantial financial backing from interests associated with the Bertarelli Family. Northhill’s long-term strategy is to build a portfolio of high quality, specialist asset management businesses. Combined assets under management in which Northhill owns a majority interest total approximately \$30 billion (as at 31 December 2015). Northhill brings deep industry experience and expertise and the patient, long-term application of substantial private capital to support skilled investment professionals to develop their business.

www.northhill.com

Northhill Capital LLP is authorised and regulated by the Financial Conduct Authority.

About Capital Four

Capital Four is a European credit asset management business founded in 2007, and is the largest independent high yield manager in Europe. Capital Four has an award winning performance track record and a fast growing alternative credit business. The founding partners are amongst the pioneers in European credit and high yield investing. Capital Four employs a rigorous bottom-up investment process, first established in 1999, across the firm’s credit strategies and focuses on delivering alpha through superior security selection. Capital Four is based in Copenhagen, Denmark and manages approximately EUR6 billion² predominantly on behalf of institutional clients.

www.capital-four.com

Capital Four Management Fondsmæglerselskab A/S is authorised and regulated by the Danish Financial Supervisory Authority (Finanstilsynet).

¹Subject to regulatory approval.

²As at 30 November 2015.