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Chequers Capital closes first fund

25/10/2002

Amid a sharp increase of activity in the French buyout market, the new fund from the former Charterhouse SA team has raised E300m.

The French mid-market fund launched by Paris-based private equity firm Chequers Capital has closed on E300m, considerably above the original E200m target.

Many of the Chequers team, led by managing partner Denis Metzger, were formerly with buyout firm Charterhouse SA, but set up their own operation to focus on opportunities in France after buying themselves out last year from HSBC-CCF. Combined, the five principals have 65 years of private equity experience, and investors were reported to have been attracted by the strong investment and exit track record of this group.

Denis Metzger said: "We found US and European investors very responsive to the concept of a country specific fund that we were promoting. Facing a strong demand for our fund, we were able to select a balanced portfolio of high profile investors that can bring value to our strategy."

About one-third of the commitments came from French investors including Access Capital Partners, CNP Assurances, CPR Private Equity, Fondinvest Capital, Nobel and Paluel Marmont Finance, whilst the remainder came from across Europe, North America and the Middle East. MVision Private Equity Advisers worked with the firm to raise these further funds and acted as exclusive financial adviser.

Kristen Mary at MVision commented: "The response from investors worldwide was extremely positive despite the tight time constraints to process before final allocations to the Fund were determined." Mary also said that the profile of the fund alongside other firms raising capital at present was distinctive. "Investors that already had exposure to the large, pan-European buyouts were looking for a more specialised mid-market fund, whilst others were at earlier stages of their investment programs and were inclined to focus on country specific funds given their belief in a higher marginal return potential."

Some of the leading investors in the fund from outside France included Allianz Private Equity Partners, Commonfund Capital, Frank Russell Private Equity Group, HarbourVest Partners, JP Morgan Fleming Asset Management, LGT Capital Partners, Lombard Odier Euro Choice and clients of Pathway Capital.

The fund's allocation had already been largely finalised by the end of April reported Mary at MVision, but the legal due diligence process took some time, and finalising the documentation was also slowed by the fact that the FCPR structure had to meet ERISA requirements.

The fund will focus on deals ranging from E30m to E200m in size across a range of sectors within France, excluding technology and real estate. Following in the Charterhouse SA tradition, Chequers Capital intends to invest in mainstream, traditional businesses that have solid cashflows. The fund has already made four investments totalling E40m.