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Newly-incentivised Quilvest pledges to double AUM

Quilvest Private Equity's parent, Quilvest Group, has agreed to management participating in the equity structure of the group for the first time as it begins raising its next generation of fund of funds.

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In tandem with Quilvest Private Equity's 40th anniversary - it was launched in 1972 - the firm has undergone a change in management structure which will allow senior professionals to buy into the equity of QPE's parent entity, Quilvest & Partners, for the first time.

The move comes as QPE bids to double its assets under management from \$4 billion to \$8 billion over the next five years, through a broader geographic focus and further diversification into sub-sectors of the asset class.

That process is already underway: it has just begun raising its latest fund of private equity funds as part of its annual programme of fund launches. The vehicle, QS PEP 2012, is targeting between \$200 million and \$300 million in commitments, according to a source close to the process. The firm's QS PEP vehicles are its flagship funds, having been the first to be opened to third party investors.

QPE is also poised to launch the second generation of its global opportunistic real estate private equity programme. The programme's next fund, called QS REP II, will target about \$300 million in commitments, the source said.

As well as investing in private equity through its funds of funds, it also makes direct investments and co-investments, raising capital on a deal-by-deal basis. It can also invest using capital from its balance sheet. One differentiating factor is that the firm underwrites 100 percent of the equity on a deal, before syndicating it to third party investors with no mark-up and at the same terms. It targets the small to mid-cap segment of the private equity market, and has a global geographic focus.

QPE's management team has led the firm for the last 10 years, and the move to allow them to participate in its equity structure "underscores the trust and confidence the group has placed in them", a spokesman said.



Michel Abouchalache, chief executive of Quilvest Group and Quilvest & Partners, said in an interview with *Private Equity International*: "We have reached an agreement with our longstanding shareholder [the Argentinean Bemberg family] to allow us to become true partners in the GP. This rewards the achievements of our team to date, and paves the way for an even closer relationship in the future. There is already a very close alignment of interests between us and our investors, but this will strengthen it further."

Stanislas Poniatowski, chairman of Quilvest & Partners, added: "The decision to open up the capital of the management company to our private equity partners follows a sustained period of strong performance from the team. It also confirms both our longstanding commitment to this asset class and our enduring belief in the need for a healthy alignment of interests between all stakeholders."

Michel Abouchalache The firm's track record is strong – all of its 19 private equity investment vehicles have double-digit projected returns, and all vintages are in the money despite the economic downturn, the firm said.

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