

Kester Capital hits hard cap close for sophomore private equity fundraise

August 10, 2020



Kester Capital has hit the £90m hard cap for the final close of its oversubscribed sophomore fund.

The UK-based firm said Fund II would continue its strategy of investing in UK SMEs requiring institutional capital for the first time, with a focus on healthcare, business and financial services and TMT.

Kester said its existing portfolio was trading well despite the Covid-19 pandemic, and the firm also recently completed the management buyouts of YouGarden and Vixio.

It said it had also continued to support buy and build activity within its portfolio, as well as completing the recent sale of Frontier Medical's Infection Prevention division to HIG Capital-backed Vernacare.

Kester, the former European private equity arm of [Greenhill & Co](#), rebranded from GCP Capital Partners in 2013.

Adam Maidment, managing partner of Kester, said, "We are delighted to have exceeded our target and reached our hard cap thanks to the support of existing and new investors.

“Although market conditions have been challenging in the wake of the Covid-19 pandemic, our portfolio has continued to perform strongly and it is against this positive backdrop that our investors were able to conduct much of their diligence work remotely over the last three months and confidently commit to our second fund.”

Elm Capital acted as a placement agent for the fundraise.

Etienne Deshormes, CEO of Elm Capital, said, “Raising an oversubscribed fund in current market conditions is quite an achievement and we would like to congratulate Kester for this significant accomplishment.

“Investors were particularly attracted by the fund strategy and strong portfolio performance, at a time when many companies are suffering from the effect of the Covid-19 crisis.

“We were able to raise commitments in excess of the fund target in less than nine months by working with investors who were still actively investing during this period.”