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Ardian backs Abu Dhabi fund Mubadala in $2.5bn deal

Ardian has backed Mubadala Capital, the investment arm of Abu Dhabi sovereign wealth fund Mubadala Development Company, in a $2.5bn (€2.3bn) two-part deal.

The French asset manager will become a lead investor in a new $1.5bn private equity fund from Mubadala. This vehicle will make direct investments, co-investments and fund investments mainly in Europe and North America.

Ardian has also acquired a majority stake in a private equity portfolio currently managed by Mubadala, which includes 14 LP interests in predominantly North American buyout and growth funds. Mubadala will retain a minority interest in the portfolio.

14

LP interests being acquired by Ardian as part of the deal

Adveq acquired by Schroders

UK-based asset manager Schroders has acquired private equity investor Adveq.

"The acquisition of Adveq accelerates the growth of Schroders' private assets business and complements existing capabilities and expertise in the real estate and infrastructure finance sectors," Schroders said in a statement.

There will be no changes to the business's investment team, process or strategies, the asset manager said.

Based in Zürich, Adveq invests through primary, secondary and co-investment transactions. It also invests in the growth and venture sectors, and manages around $7bn of client assets.

The firm closed a small buyout-focused fund at €462m in December and is currently raising a new fund for specialised private equity investments.

August Equity closes fourth fund on £224m

August Equity has closed its new fund on £224m (€267.8m). The firm closed its previous vehicle on £200m in December 2013.

The vehicle, August Equity IV, will continue to follow August's strategy of backing management teams in service-led companies.

The fund has attracted commitments from 20 investors, seven more than for Fund III. The investor base includes family offices, pension funds, insurance firms and funds of funds from the US, Canada, Europe and the UK.

"Raising a fund around Brexit meant LPs asked more questions and took more time looking at its potential impact on the UK and our portfolio," August's managing partner Philip Rattle said in a statement.

"That we attracted so many new LPs is testament to our successful strategy of backing strong management teams building businesses in attractive growth sectors within the UK."

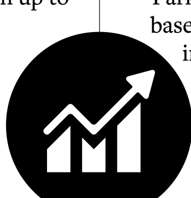
Riverside raises $418m for minority investments and sells stake to LP

The Riverside Company has closed its first non-control investments fund at $418m (€392.5m).

Riverside Strategic Capital Fund will take minority positions in up to 15 companies across North America and Europe. It has made six investments so far.

The fund surpassed its $350m target and includes a tranche of managed accounts. LPs include New Mexico Educational Retirement Board, Northwestern Mutual and Phoenix Life.

The firm has also promoted Jeffrey Gordon to partner and Jay Reynolds to principal, both of whom will deploy the fund.



It has also sold a stake of just under ten per cent in itself to one of its LPs.

Parkwood, a Cleveland, Ohio-based private trust, is an investor in several Riverside funds. It is led by Morton Mandel.

Riverside co-chief executive Stewart Kohl said the deal with Parkwood is "a natural extension of our mutually beneficial relationship".

The transaction will also see the creation of an employee option plan for Riverside staff.

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Fatal Attraction: 6 Golden Rules for buyout CEO survival

For CEOs locked into executive roles in a subsidiary of a large corporate or under the thumb of a family dynasty, liberation through a management buyout seems to be an attractive proposition. The promise of closer alignment of financial incentives between owner and management doesn't hurt either. However, most CEOs don't make it through their first buyout. And, as more transformational deals are taken on, the casualty rate will surely rise.

How can a CEO save his skin and move to triumph? Experience shows that avoiding bad habits and fatal mistakes is a good starting point. Our advice to CEOs coming into PE governance is encapsulated in 6 Golden Rules.

1. At the top of the list is to make decisions and "lead". Most often, CEOs are fired because they are not making bold decisions fast enough. Often times, the cautious risk aversion that helped an executive to avoid mistakes and climb the corporate ladder is their nemesis with sponsors. Private equity's risk profile is different from a corporate or family owner. Understanding this is fundamental.
2. Work collaboratively with the sponsor. Be transparent and seek their advice. Creating a firewall to the owner is a good way to activate your ejection seat early.
3. Have an opinion and alternatives to discuss with the sponsor. As one investor put it, "don't bring me a dead cat and put it on the table and ask what we should do with it". Have your plan formulated, and test it.
4. Push back at times with clear arguments. Good sponsors will test the limits and push you. If you always want to please and cave-in, this raises alarm bells and creates insecurity among sponsors as to whether you know what you are doing.
5. Always take time to agree assumptions before committing to delivering business outcomes.
6. And finally, be liked and feared in your organisation. "Mr. Nice Guys" don't make. You need to get the best from your people.

Following the 6 Golden Rules won't guarantee success. But look at the bright side – it could raise your chances above 50 per cent.