Three Hills hits €540m hard cap for third fund

Three Hills Capital Partners has closed its third fund with €540m of commitments. The firm has significantly surpassed its original €400m target.

The new fund marks the first time that Three Hills has offered access to institutional investors. The firm has previously been supported by European family offices and high-net worth individuals, who will continue to be critical to its network-driven origination strategy.

Three Hills invests in entrepreneur-owned mid-market businesses, providing minority equity and debt securities, with the entrepreneur retaining majority ownership.

The firm held a first close in September last year and the fund is already 20 per cent invested in UK-based Recycling Lives, a tech-enabled international waste and recycling management business and ACT, a Netherlands-based global intermediary in niche energy commodities markets.

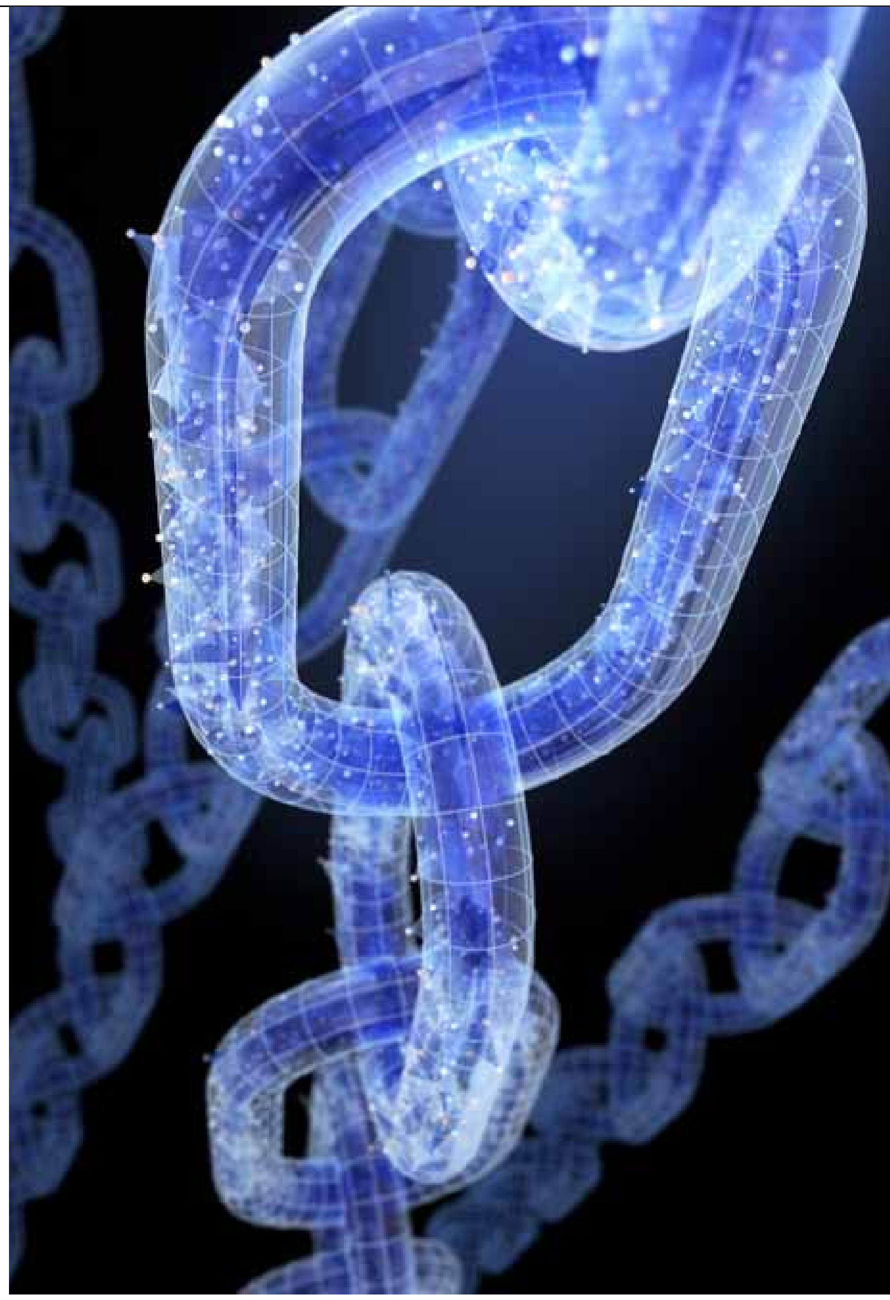
"Attracting many new international LPs from beyond our original loyal investor base is a sign of our successful strategy of approaching the private equity industry in a differentiated way," said Mauro Moretti, founder and managing partner at Three Hills.

"We have found there are many entrepreneurial management teams from across Europe that are in need of supportive capital to grow their businesses, but want to retain control of their companies.

"We have devised a flexible way of investing capital into businesses without also being a pervasive presence," Moretti added.

Recent exits for Three Hills include the sale of Genius Sports Group to Apax and the IPO of Aquafil.

Rede Partners advised on the fundraise.



AI to disrupt private equity in the next five years

Buyout managers brace for shake-up

By *Amy Carroll*

More than 90 per cent of private equity investors believe artificial intelligence will transform the asset class within the next five years.

This compares to 77 per cent of industry participants who believe blockchain is poised to disrupt the sector, according to a survey conducted by Intertrust.

Over a third of respondents said that blockchain, AI and robotics are already being adopted in the industry and will become more widespread in the near future.

Digital innovation is having the biggest impact on the back office, by generating greater operational efficiencies, the survey found.

A little over half (56 per cent) of respondents cited back office innovation as the dominant theme compared to 37 per cent who said technology is being deployed to speed up the due diligence process.

"The findings of our survey reflect growing levels of interest in using AI for handling large volumes of investor queries more efficiently by recognising questions being asked and recommending responses," said Michael Johnson, director of fund services at Intertrust.

"This will also introduce more standardised responses, further reducing risk. Additionally, there is likely to be an emerging desire for firms to favour the use of blockchain for KYC-related activities."