

## More than 30 deals in Paine & Partners IV pipeline

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### Buyouts

- Fund IV held \$893 mln oversubscribed close
- Food supply, growing middle class drive investment thesis
- Paine & Partners invested Fund III “cautiously”

*Paine & Partners’ deal pipeline for its \$893 million flagship fund includes more than 30 investment opportunities, firm President Kevin Schwartz said. Paine & Partners Capital Fund IV held a final close on Dec. 18, beating its original target by \$93 million.*

Paine & Partners will invest Fund IV in the global food and agribusiness industry. The firm’s investment thesis draws on the needs of a growing middle class, whose dietary demands strain an already overtaxed supply of food, Schwartz said. Fund IV will focus on businesses that “increase efficiencies in the food/agribusiness value chain.”

The firm’s active portfolio includes investments in seed companies, seafood processors and producers of applications for drip irrigation.

A combination of new and existing investors backed Paine & Partners Capital Fund IV. New limited partners included Maine Public Employees’ Retirement System and the New Mexico Public Employees Retirement Association, according to pension documents. The firm received commitments from family offices and university endowments as well.

“The agribusiness industry is really underserved from a private equity standpoint,” Schwartz said. “Investors who really want exposure to the sector found our track record to be unique.”

Paine & Partners invested its previous fund, a \$1.2 billion 2006 vintage, “cautiously” through the financial crisis, Schwartz said, allocating roughly 50 percent of its investment capital to companies it already owned. Paine & Partners completes an average of four add-on deals for each of its platform acquisitions, typically holding its portfolio companies for between five and seven years, Schwartz said.

The firm fully deployed Paine & Partners Capital Fund III earlier this year with its investment in QC Corporation, a family business that produces micronutrients and ferrous sulfate for fertilizers, animal feed, hazardous waste and water treatment, among other uses.

Paine & Partners Capital Fund III generated a 1.26 multiple and 5.7 percent IRR through March 31, according to Regents of the University of California documents.

Demand for Fund IV exceeded the firm's initial target despite the recent departure of Paine & Partners co-founder Mitchell Presser, who joined Freshfields Bruckhaus Deringer in 2014 to lead the law firm's U.S. M&A business. Presser continues to help the firm structure its deals, Schwartz said.

Paine & Partners bolstered its roster of operating directors in the fourth quarter of 2014, hiring Robert Berendes, a former executive at crop productivity specialist Syngenta, and John Binde, previously the CEO of Norway Royal Salmon ASA.

Schwartz and Dexter Paine co-founded Paine & Partners in 2006, with Paine acting as the firm's chairman and CEO. The firm has offices in New York, Chicago and San Mateo.