

# ARROW GLOBAL GROUP PLC

Arrow Global Group plc announces a €838.0 million fund raising for inaugural pan-European NPL fund

# Highlights

- **€38.0 million** achieved in total capital commitments, with **€28.5 million** from third-party investors
- Targeting **€2.0 billion of total AUM** before the end of 2020
- Strong demand **across a range of investors** by geography and sector
- Deployment of AUM to commence **early in 2020**, providing **additional asset servicing revenue** and **fund management fee income** to the Group

# Fund raise is transformational for Arrow Global

- **Accelerated** achievement of five-year targets
- **Faster reduction** in leverage due to **lower** absolute levels of Arrow balance sheet investment compared to recent periods as a result of the co-invest structure with the Fund
- **Increased** future flexibility around Arrow Global's **capital structure**
- New **capital light** earnings streams from **management fees** and **performance based returns** = further improvements in the **quantum** and **quality** of earnings in the medium-term
- **Scalable opportunity** to grow capital light AMS activities by **offering AMS services** to the Fund

# Outlook

- Ambition to be a multi-billion euro asset manager – **targeting €2.0 billion<sup>1</sup>** of total AUM within AGG Capital before the **end of 2020**
- Clients will be **global** and cover **all** major institutional categories
- Zach Lewy will be CEO of Fund Management
- Fund will build on Arrow's **excellent** track record
- **Full teach-in** to be held first half of 2020 once SEC regulatory requirements permit
- **No changes** implied to current 2020 market consensus

<sup>1</sup>Includes Arrow Global capital equal to the lower of at least (a) 24.9% of the final commitment made to the Fund and (b) €500.0m as a co investor. Arrow has the ability to increase its commitment to the lesser of (a) 29.9% of the final commitment made to the Fund and (b) €600.0m

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