Aqua Capital’s Fund II hits hard cap

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Aqua Capital, the leading São Paulo-based South American agribusiness private equity firm, has completed a final closing of its second private equity fund, Aqua Capital Agribusiness Fund II. Aqua Capital closed Fund II at its hard cap of $370 million in commitments. Investors are a diverse mix of international institutional investors, including endowments, foundations, fund-of-funds, asset managers, pension funds, family offices and sovereign wealth fund capital.

Nearly 30% of capital committed to the new fund came from the US endowment community, who have been long-time backers of the emerging market private equity asset class, and pride themselves on partnering with specialist managers in attractive and less competed segments of global private markets. Overall, over 60% came from North America, 20% from Europe, 10% from the Middle East and the remainder from local Latin American investors.

Aqua Capital targets control investments, some comprising roll-up strategies through add-on acquisitions, across the agribusiness supply chain in Brazil and other South American countries. The region is a key supplier in the global food chain and is projected to continue growing in its importance. The increased use of technology across the value chain is also a strong driver of growth across the sector. There is a productivity gap between many South American agribusiness companies and their better-performing local and international peers, with a trend for these gaps to decrease as knowledge and managerial practices spread, continuing to foster strong demand growth for inputs and services. Aqua Capital has identified and capitalized on the opportunity to work selectively with companies, supported by strong capital structures and managerial talent, to leverage these market conditions to generate above-average growth and operational improvement, creating institutional businesses with strong environmental and social governance principles and substantial value for shareholders.

Fund II has four investments in its portfolio already, all of them controlling stakes. Sebastian Popik, Founder and Managing Partner of Aqua Capital, commented: “We are delighted to have the support of a great group of long-term institutional investors. The region – Brazil in particular – has been facing volatility but agribusiness has remained the main driver of growth, and Fund II should capitalize on this unique investment perspective. Our strong operational value creation program is particularly valuable to continue driving growth and consolidation in this context. We have always invested in building a strong team capable not only of originating and structuring highly proprietary transactions, but also of working with partners and management in building outstanding companies.” He added, “We have been able to make solid progress deploying Fund II given agribusiness’ good perspectives.”

Jorge Ahumada, Partner of Aqua Capital, added: “Our success fundraising in the midst of major economic and political volatility is based on four pillars: a great team; a clear and repeatable investment strategy; strong deal making and operational value-add; and a focus on the globally-relevant South American agribusiness sector. With the transformation taking place in our sectors of focus, there is an ever stronger reason to exist for a hands-on PE investor with deep sector knowledge.”

Aqua Capital was advised on the fundraising by Asante Capital and the Touchstone Group as global placement advisors and Sidley Austin and Estudio Garrido as legal counsel. Fraser van Rensburg, Managing Partner of Asante Capital, said: “We’ve thoroughly enjoyed working with the Aqua team to
deliver an efficient and successful closing of their Fund II at it’s hard cap, which reflects their excellence as a team, their specialism in an attractive and underpenetrated market, and their trajectory going forward as a leader in that space. Aqua Capital has really broadened its platform and talent base, and it has been exciting to witness their development as a firm.”

Timothy Cunningham, President of the Touchstone Group, said: “We partnered with Aqua to raise institutional capital in North America and Europe for both Funds I and II. Over the years, we have consistently been impressed with the successful evolution of Aqua’s business to become the dominant player in its segment. In a few short years, from a standing start, Sebastian has led Aqua to become one of the most professionally-managed private equity operations in Latin America.”

**About Aqua Capital:**
For more information on Aqua Capital, refer to [www.aquacapital.net](http://www.aquacapital.net)