



Capitala Group Announces \$1.0 Billion of New Permanent Capital for New Senior Debt Focus

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New venture a boon to small- and mid-market businesses and Wall Street investors looking to diversify into lower cap opportunities

CHARLOTTE, N.C.--(BUSINESS WIRE)--Apr. 25, 2018-- [Capitala Group](#) ("Capitala"), announced today that it has successfully raised \$1.0 billion in a new, permanent capital vehicle. This funding is in addition to the \$1.4 billion Capitala has invested in low- to mid-market businesses over the past 20 years and is the first vehicle Capitala has raised that focuses on a senior debt strategy for lower middle market companies.

Funding for the new venture, Capitala Specialty Lending Corp., was raised from global institutional investors, and is expected to provide senior debt and equity co-investments across Capitala's family of funds. Capitala Specialty Lending Corp's exclusive focus on senior debt investments is a substantially different strategy than prior Capitala-sponsored funds, which have historically been raised to invest in subordinated and mezzanine debt.

"This is great news for America's entrepreneurs and their enterprises, and for investors looking to capitalize on the returns that those companies are capable of delivering," said Joe Alala, III, Chairman and CEO of Capitala Group. "Our new specialty lending product will open more doors for us to provide customized financing solutions for small- and mid-market businesses. The \$1.0 billion in new capital validates Capitala's 20-year track record of driving superior risk-adjusted returns by focusing on long-term relationships rather than on short-term transactions."

Capitala Specialty Lending Corp. will help management teams at lower and traditional middle-market companies fill a void that was left by banks abandoning lending to this critical segment of the U.S. economy in the aftermath of the financial downturn and Dodd-Frank regulations.

"We have remained steadfast in our commitment to support this often overlooked and underserved area of the economy, ultimately helping institutional investors diversify their portfolios by investing in the backbone of our nation's dynamic economy," Alala added. "This funding is a vote of confidence in the strong growth prospects of our country's economy and the soundness of Capitala's relationship-focused investment philosophy."

Capitala Group manages \$2.7 billion of capital among permanent capital vehicles, closed-end funds, and discretionary managed accounts.

About Capitala Group

Capitala Group is a leading provider of capital to lower and traditional middle-market companies. Since 1998, Capitala Group's managed funds have invested in over 145 businesses, representing over \$1.4 billion of investments in a variety of industries throughout North America. Capitala's approach to investing, whether in its growth fund strategy or its lower middle market credit strategy, has proven to be a reliable and attractive financing solution to our partners. Capitala Group manages both public capital (Capitala Finance Corp.) (Nasdaq:CPTA) and private capital (Capitala Private Credit Fund V, L.P.; CapitalSouth SBIC Fund IV, L.P.; and Capitala Specialty Lending Corp.) for institutional and individual investors, and seeks to partner with strong management teams to create value and serve as long term partners. For more information visit our website at www.CapitalaGroup.com.

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