



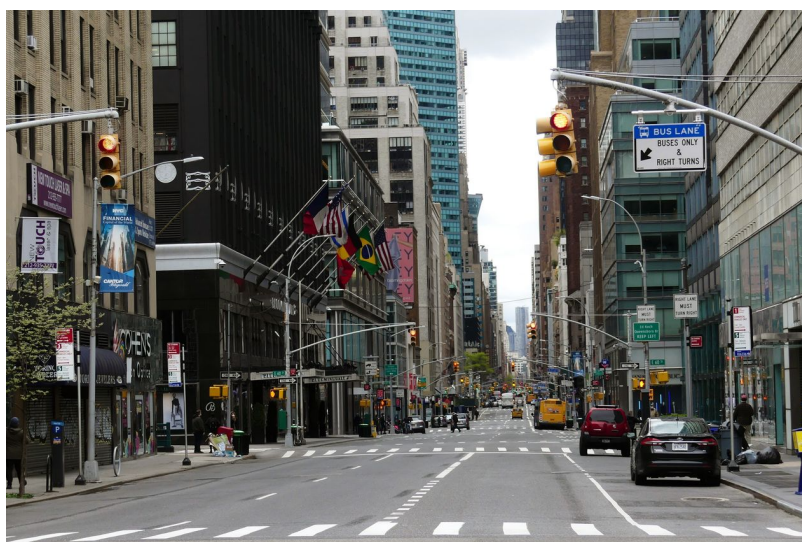
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<https://www.wsj.com/articles/nexphase-capital-collects-544-million-for-fourth-buyout-fund-11618876800>

FUND NEWS

NexPhase Capital Collects \$544 Million for Fourth Buyout Fund

The fund is roughly 50% larger than its predecessor, which closed on \$361 million in 2018



A section of New York's Lexington Avenue in Midtown Manhattan, where NexPhase Capital is based.

PHOTO: JOHN MARSHALL MANTEL/ZUMA PRESS

By [Laura Cooper](#)

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Lower midmarket-focused private-equity firm NexPhase Capital has raised \$544 million for its fourth fund focused on investments in software, healthcare and consumer businesses.

NexPhase Capital Fund IV closed at its hard cap of \$544 million, a roughly 50% increase over its third fund, which collected \$361 million and held a final close in 2018. The new fund held a first close in late 2019, according to Ted Yun, a managing partner at NexPhase. He declined to provide the amount of capital involved in that close.

The firm used the fund to finance two investments in late 2019, backing education provider KnowFully Learning Group and DealerOn Inc., a website and digital marketing provider for the

retail automotive industry, Mr. Yun said. NexPhase held the final close for its fourth fund at the end of March, according to the managing partner.

The vehicle is NexPhase's second stand-alone fund since spinning out of investment bank Moelis & Co.'s Moelis Capital Partners in 2016. Its third fund backed nine portfolio companies, Mr. Yun said, adding that he expects the new fund to house nine to 11 portfolio businesses. NexPhase already has made four investments out of its new fund.

NexPhase makes investments of \$25 million to \$150 million in smaller companies, according to the firm. It backs businesses with as much as \$30 million of earnings before interest, taxes, depreciation and amortization, its website shows.

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Mr. Yun expects NexPhase to “stick to its knitting,” concentrating on consistency in its investment focus with an emphasis on companies looking for partners to help navigate the next stage of their growth.

Most recently, NexPhase said it would back Oliver Wine Co., a Midwest winery focused on the “sweet and flavorful wine” category, according to Mr. Yun. NexPhase—which closed the deal in March—is in the process of building out Oliver's distribution network, he said. It has experience in the sector stemming from its 2016 investment in Zing Zang LLC, a cocktail-mix brand.

NexPhase joins a surge of private-equity firms raising new capital this year. Data provider Preqin Ltd. found that firms collected \$188 billion across 452 funds during the first quarter, up from \$163 billion raised across 431 funds during the same period of 2020.

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