



# Preqin Industry News

[Olivia Harmsworth](#) delivers the latest news on mid-market buyout funds, featuring exclusive intelligence on deals, investor activity and recently launched and closed funds, uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm names to view the full profiles.

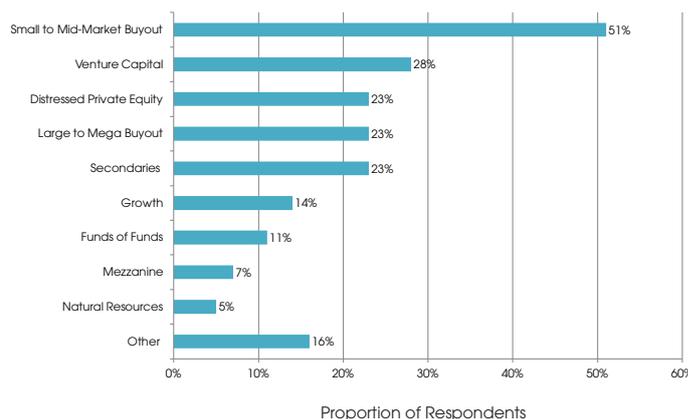
Mid-market buyout funds are proving increasingly attractive to investors in the current financial market. As the Chart of the Month shows, over half of investors interviewed by Preqin (51%) indicated that they are looking to invest in small to mid-market buyout funds in the coming year. This is significantly more than the next most cited area of the market, venture capital funds, which 28% of interviewed investors indicating an interest in investing in over 2013.

One example of an investor looking to invest in mid-market buyout funds is [Co-operative Insurance Society](#); the UK-based insurance company will look to target small to mid-market buyout funds focusing on opportunities in North America and Western Europe over the next 12 months. It expects to commit between £10mn and £20mn per fund but anticipates only re-upping with existing managers in its portfolio. [LUMA Capital](#) is another such investor, and is looking at making ten new commitments to buyout funds in 2013; it will focus on opportunities in North America, but will also consider emerging markets and views Latin America favourably at present. Insurance company [Folksam](#) plans to target Nordic-focused small to mid-market buyout funds over the coming year, and typically commits between €10mn and €50mn.

A number of mid-market buyout funds have recently closed after having reached or exceeded their fundraising targets. [Carlyle US Equity Opportunity Fund](#) closed in the last month on \$1.1bn, \$100mn above target. The fund has an emphasis on buy-and-build transactions, corporate divestures, corporate partnerships and platform build-ups. [Carlyle Group](#) is also raising three other mid-market buyout funds: [Carlyle Global Financial Services Partners II](#), [Carlyle Asia Partners RMB Fund](#) and [Carlyle Sub-Saharan Africa Fund](#), which are targeting \$1.2bn, CNY5bn (\$800mn), and \$500mn respectively. Other prominent funds to close recently are [Baring Vostok Private Equity Fund V](#) and [Baring Vostok Private Equity Fund V Supplemental Fund](#), which closed on a combined \$1.5bn in October 2012. The funds, raised by [Baring Vostok Capital Partners](#), target companies operating in middle-market enterprises based primarily in Russia, Kazakhstan and Ukraine as well as other CIS and Baltic countries and Mongolia. The previous mid-market buyout fund in the series, [Baring Vostok Private Equity Fund IV](#), raised a combined \$1,352mn in 2007 from its main and supplemental fund.

Of the mid-market buyout funds currently in market, [Augusta Columbia Capital Fund I](#) is targeting \$750mn in aggregate investor commitments, and focuses on the following technology segments in North America; healthcare information technology, IT services, telecom equipment, internet infrastructure, web hosting, software, semiconductors and financial technology. [Augusta Columbia Capital](#) was established in 2011 after spinning out of the [Blackstone Group](#). The firm has offices in New York and San Francisco and

## Chart of the Month: Fund Types Institutional Investors in Private Equity Are Seeking to Invest in Over 2013



Source: Preqin Investor Survey - December 2012

focuses on investments in the equity investment range of \$30-150mn. Another fund currently on the road is [HIG Capital Partners V](#), which was recently launched by [HIG Capital](#). The fifth mid-market fund is targeting \$1bn to invest in a broad range of North American companies and is expected to reach a final close in the early part of 2013. This new fund is targeting slightly more capital than its previous mid-market vehicle, [HIG Capital Partners IV](#), which raised \$750mn in 2006.

Recent mid-market buyout deals include [AEA Investors](#) and Teachers' Private Capital's recent acquisition of [Dematic](#) from fellow private equity investor [Triton](#) in November 2012. Although financial terms of the transaction were not disclosed, the company was reportedly worth approximately €700mn at the time of sale. Triton had acquired Dematic from Siemens AG in 2006. Also in November 2012, [Apax Partners](#) announced the acquisition of [Cole Haan](#), a footwear designer and retailer, from Nike. The deal, valued at \$570mn in cash, is expected to close in early 2013.

Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to [spotlight@peqin.com](mailto:spotlight@peqin.com) and we will endeavour to publish them in the next issue.