



[« Data](#) [Search LPs](#) [Guides](#) [Performance](#) [Cambridge Data](#) [Future Funds](#) [Closed Funds](#) [Open Funds](#)

LIMITED PARTNERS

NEW YORK

Siguler Guff Closes Emerging Markets Fund Of Funds At \$600M Cap

BY LAURA KREUTZER

4/13/2006 -- Siguler Guff & Co. has cemented its spot as a major backer of emerging markets funds, reaching \$600 million for the final close of Siguler Guff BRIC Opportunities Fund LP.

The New York-based firm easily surpassed the \$500 million revised target it set last year for the new fund of funds, which it plans to commit to partnerships in Brazil, Russia, India and China, according to Managing Director Patricia Dinneen.

The original target of the fund of funds was \$350 million.

Siguler Guff BRIC Opportunities Fund drew roughly half of its capital from overseas investors, including the corporate pension funds of several large multinational companies. It also received strong support from endowments and foundations, Dinneen said.

Dinneen declined to name any of the investors. Separately, LBO Wire has learned that the pension fund of ITT Industries, a White Plains, N.Y., provider of engineering and manufacturing services with operations in China, invested. And at least one U.S. state pension fund invested: Pennsylvania State Employees' Retirement System approved a \$10 million commitment.

Siguler Guff, which began raising the fund of funds in early 2005, increased the target by \$150 million due to both increased investor demand and a plethora of attractive managers in the four regions it is targeting for investments, Dinneen said.

The firm has already committed around one-third of the capital it has raised to 11 funds and has lined up additional commitments that will bring the fund of funds to the halfway mark by year-end. So far the 11 managers have backed at least 50 underlying portfolio companies, including five portfolio companies that the firms' have exited or plan to exit by year-end, according to Dinneen.

She expects about 70% of the fund-of-fund's capital to wind up with fund managers in India and China, where the markets are more mature and the supply of quality managers more robust. Two managers that have made it into the portfolio so far are Chrys Capital, which recently closed its fourth Indian fund at \$555 million, and Actis Capital LLC, which raised \$225 million for its third China-focused fund.

In building the fund-of-funds portfolio, Siguler Guff prefers general partners that provide expansion capital to companies already generating revenue, if not profits. However, the firm may back a smattering of early-stage venture funds or buyout funds, Dinneen said.

Dinneen says that her team is likely to favor smaller, country-focused funds run by local partners, namely ones with experience working for large multinational corporations or private equity firms based in locations with more developed economies.

"We want the inside access to local deals that someone from that country can provide, but also need to make sure they follow good corporate governance," she says.

In addition to the new fund of funds, Siguler Guff manages roughly nine direct investment funds and a roughly \$600 million distressed debt fund of funds.

The firm has been marketing a second distressed debt fund of funds that could reach \$1 billion in commitments, according to one consultant familiar with the offering. The firm has already closed on at least \$700 million for Siguler Guff Distressed Opportunities Fund II LP, which has an \$800 million target, the consultant added.

Reach Siguler Guff at 212-332-5100.

© 2006 Dow Jones & Company, Inc. All rights reserved.