



Preqin Industry News: Mezzanine Funds

Louise Weller takes a look at the latest news on mezzanine funds, including funds to have recently closed and those that remain in market, as well as investor appetite for mezzanine vehicles.

A number of mezzanine funds have attracted investor capital recently:

[Highbridge Mezzanine Fund II](#) held a final close in March 2013 on \$4.4bn, above its target of \$3bn and represents 92% of the aggregate capital raised by mezzanine funds that closed in Q1 2013. The fund invests approximately two-thirds of its capital in North America, while the remaining third is focused on European investments.

Managed by [Falcon Investment Advisors](#), [Falcon Strategic Partners IV](#) held a third close in March 2013 on \$356mn and has an overall target of \$850mn. The fund makes investments in North American companies in a variety of sectors. Its predecessor fund, [Falcon Strategic Partners III](#), held a final close in June 2009 on \$729mn.

[Adamas Asset Management](#), formerly Gen2 Partners, recently rebranded and is raising its first mezzanine fund. [Greater China Credit Fund](#) is targeting \$200mn to invest in healthcare, leisure, natural resources and pharmaceutical companies in Greater China.

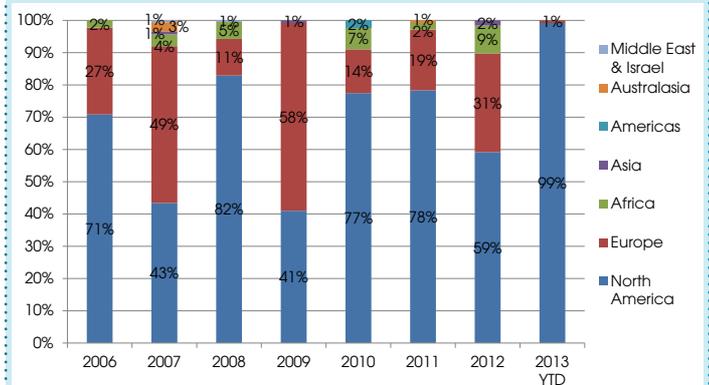
A number of investors are planning to make new commitments to mezzanine funds over the coming year:

[Ameritas Life Insurance Corporation](#) expects to make five or six new private equity fund commitments over the coming year, and plans to target North America-focused mezzanine funds, as well as growth and mid-market buyout funds. It expects to primarily re-up with existing managers but may choose to forge new relationships with managers it has not worked with before.

[John Hancock Financial Services](#) anticipates making new private equity fund commitments over the next 12 months and will continue to commit to mezzanine and buyout funds. The asset manager plans to re-up with fund managers in its existing investment portfolio, as well as forge new relationships with managers it has not previously worked with.

Which Regions Have Attracted the Most Capital for Mezzanine Investment?

Chart of the Month: Proportion of Annual Mezzanine Fundraising by Primary Fund Focus, 2006 - 2013 YTD (As at 14 May 2013)



Source: Preqin Funds in Market

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