



Preqin Industry News

Jessica Sutro delivers a round-up of the latest private equity news from Latin America, featuring exclusive intelligence on investors, funds in market, and deals in the region uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm names to view the full profiles.

Continued economic uncertainty in many developed financial markets has led a number of investors to consider alternative investment opportunities, particularly in emerging markets. These growing private equity markets can provide many opportunities for investors and fund managers alike, with LPs seeking investments with better returns, and fund managers creating new funds to compete for their capital. Latin America is one such market that has seen increasing growth in recent years – the Chart of the Month shows that in 2011 38 Latin America-focused funds closed on an aggregate \$15bn in capital commitments, an increase on the 27 funds that closed on \$8.7bn in 2010. In 2012 so far 16 Latin America-focused funds have closed on an aggregate \$6.6bn.

A number of investors are making their first commitments to funds targeting opportunities in Latin America. [Loyalty Alliance](#), a US-based asset manager, is looking to make between four and six new fund commitments over the next 12 months, and is actively considering gaining exposure to Latin America for the first time. The asset manager has a preference for buyout and venture funds and will look to commit to vehicles focusing on opportunities across North America, Europe, and Asia; typically, it looks to commit between \$1mn and \$10mn per fund. Loyalty Alliance plans to work with both existing managers in its portfolio as well as managers it has not worked with previously.

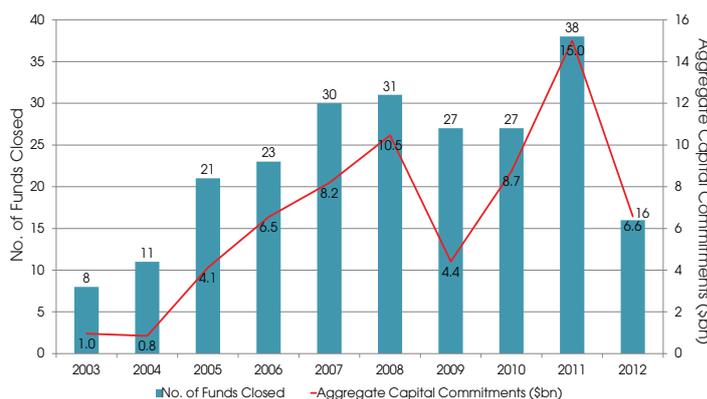
Elsewhere, Germany-based [DEG](#) is planning to commit €125mn to emerging markets over the next 12 months, including Latin America. The government agency is planning to invest the capital in 10 to 15 new funds of a variety of different types, including buyout, venture capital, growth, and mezzanine. DEG typically commits €10mn per fund and will look to re-up with some existing managers in its portfolio, as well as form new GP relationships.

Investor interest in the region has driven growth in the Latin American private equity industry, with a number of fund managers from around the globe entering the market with Latin America-focused offerings for investors. [Redpoint e.ventures](#), managed by [e.ventures](#), is a Brazil-focused early stage venture capital fund and the first Silicon Valley-affiliated fund dedicated to the region. The vehicle, which closed in July 2012 on \$130mn, focuses on the consumer Internet, mobile, media, and cloud services sectors and will be managed by founding partners Yann de Vries and Anderson Thees.

Another fund with an investment focus on the region is [APEF II](#), which launched earlier this year and is still in market. The buyout fund, which has a target size of \$300mn, invests in the Andean region, with a special focus on Colombia and Peru and targets a broad range of industries, including business services, environmental services, and utilities.

In addition to activity in the region from fund managers based elsewhere, a number of first-time fund managers based in Latin America are beginning to emerge in the region's growing

Chart of the Month: Annual Latin America-Focused Fundraising, 2003-2012 (as of 10 September 2012)



Source: Preqin Funds in Market

private equity market. [Diamond X Alternative Investments](#) (DXA Investments) was established this year, with headquarters in Rio de Janeiro, Brazil. Though the firm targets emerging markets in general, it has a preference for Brazil and targets the hospitality, entertainment and leisure, renewable energy, fashion, and retail sectors within the country.

Brazil continues to grow as a significant hub for private equity in Latin America, with several private equity-backed venture capital and buyout deals taking place there in recent months. In June, Baby.com.br, based in Brazil, raised \$16.7mn in Series B financing led by [Accel Partners](#), with participation from [Tiger Global Management](#) and others. The firm had previously raised \$4.4mn in Series A funding in October 2011. Also in June, [Vinci Capital Partners](#) acquired a 70% stake in Cecrisa, a Brazil-based ceramic tile manufacturer for around \$122mn. In August, Printi, a Brazil-based printing company, raised \$1.2mn in Series A financing, with Greenoaks Capital Management leading the round.

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 and we will endeavour to publish them in the next issue.