



## **Family offices should look to secondary private equity market, says specialist firm**

30/05/2012 by: Polina Khoroshilova

Charles Soullignac, managing partner, and Catherine Lewis La Torre, partner at Fondinvest Capital, an independent management company specialised in private equity fund investments, told *thewealthnet* why investing in the secondary market is particularly attractive for family offices and smaller financial institutions.

“One of the reasons why family offices are comfortable to transact with us, is because we operate in a very confidential manner,” said Ms Lewis La Torre.

Fondinvest doesn't ever release information in the public domain about its transactions, who it is buying from, and what positions it is buying. This leads to a lot of family offices wanting to deal with the firm exclusively as they know that the transaction will remain fully confidential.

Founded in 1994, with EUR 1.8 billion in assets under management and offices in Paris and San Francisco, Fondinvest Capital provides investors with access to investment opportunities in the “highly attractive but complex” European middle market.

Mr Soullignac explained that from the beginning, the firm had set up four secondary funds, which have been particularly popular with investors, due to “good and consistent returns”.

In terms of strategy, Fondinvest focuses mainly on the small and mid-sized deals, with investors from Europe, the US and Middle East.

Ms Lewis La Torre added that the focus on smaller transactions hasn't changed since the inception of the firm, and “in general, it's a good place to be positioned going forward”.

According to Ms Lewis La Torre, the level of activity for larger transactions in the secondary market may be tailing off. The firm's analysis shows that a lot of deals in that space have already been done.

“We are mainly talking to family offices, smaller financial institutions, insurance companies – and there we see quite a regular deal flow. What's happening at the larger end of the market doesn't really concern us very much,” she said.

Since 1996, Fondinvest has launched four secondary funds, Fondinvest II, IV, VI and VIII, for a total of EUR 800 million invested in funds in Europe, the US and Asia.

The firm's primary and secondary businesses are dealt with separately. Fondinvest is not a fund of funds manager opportunistically making secondary investments, but "a dedicated secondary fund manager", stressed Mr Soullignac.

"Our secondary investment activities' objective is to provide investors with strong and quick cash returns," he concluded.

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