

FRR chooses three more for private equity

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FRANCE – The €32bn Fonds de réserves pour les retraites (FRR) has awarded mandates to Pantheon Ventures, Access Capital Partners and Lehman Brothers International Europe.

FRR said investments will be made in line with the fund's SRI principles and has instructed the fund management firms to make sure the fund is not investing in "funds engaging in hostile takeovers of target companies or investing in countries listed by GAFI [Financial Action Task Force or Groupe d'Action Financière].

A €550m diversified European private equity mandate goes to Pantheon Ventures, the private equity investor wholly-owned by the Russell Investment Group with investment teams in London, Brussels, San Francisco and Hong Kong.

Access Capital Partners will manage a €300m small and mid-cap European private equity mandate. Access manages of European Private Equity funds of funds, from offices in Paris and Guernsey.

Lehman was awarded a €500m diversified North American private equity mandate.

The appointments end the fund's search for its first private equity programme, totaling €1.5bn. Last December the fund chose AXA Private Equity Europe for a €150m mandate.

Apart from increasing the fund's return, FRR wants to contribute "positively to the development and innovation of companies, primarily small and mid-size enterprises, in the non-quoted sector" via its private equity investment programme.

"Consequently, FRR has decided to allocate a significant proportion of this programme to the development of small and mid-cap and venture funded companies in Europe, which together will represent approximately half of this initial private equity programme," officials for the fund commented.

The fund's executives have limited investment to funds whose size do not exceed €3bn. Furthermore, turnaround funds and funds specialising in public to private transactions will not form part of the investment strategy for the European mandates.

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