

**HD** **TPG closes \$3.3 bln Asia fund, taps co-investment deals**

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**LP**

\* Around \$540 mln already invested through new fund-source

\* Australia strongest market for past 5 years for TPG-source

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By Stephen Aldred

**HONG KONG**, May 23 (Reuters) - Global private **equity firm** TPG Capital Management LP has raised \$3.3 **billion** in a new buyout fund, its sixth for Asia, a senior executive told Reuters, with a reshuffle of senior management nearly six months ago helping it to accelerate the fund's closure.

TPG, which established a presence in Asia in 1994, is tapping opportunities in emerging Asian markets and more co-investor deals with its new fund while also staying focused on established markets.

"Australia is a vital market," TPG's Asia co-head, Tim Dattels, said, adding the recent hiring of Ganen Sarvananthan from Malaysia sovereign fund Khazanah Nasional Bhd has brought additional depth in Southeast Asia.

TPG raised almost half the new fund, or \$1.6 **billion**, in the past six months, a source with knowledge of the matter said, after it replaced its Asia head, Stephen Peel, with co-heads Dattels and Ben Gray. Before the management changes in November, TPG had raised \$1.7 **billion** in almost two years on the road.

"We are pleased to close fundraising and already putting money to work," Dattels, a ex-Goldman Sachs banker said.

The new fund is 22 percent below TPG's fifth fund raised in 2008. But TPG expects to tap into the rising demand of sovereign wealth funds and pension funds for direct investments to take the total deployment from the new fund to about \$4.5 **billion**.

Co-investment deals are on the rise globally, data provider Preqin said in a recent report, as investors in private **equity** funds look to raise their profits and push into new geographies. Such deals can dilute profits for private **equity**, but allow them to invest in bigger transactions.

TPG has already invested \$540 **million** from its new fund while its co-investors have added a further \$340 **million** in its deals, the source said, including the \$461 **million** buyout of US-listed **China** healthcare **firmChindex** International Inc with Shanghai Fosun Pharmaceutical.

Australia has been the top market in Asia for TPG for the past five years, accounting for 45 percent of capital invested in Asia in that time, a separate source said.

The **firm** also placed an over \$1 **billion** consortium bid on real estate services **company** DTZ, teaming up with PAG, helmed by its former senior executive Weijian Shan, and Ontario Teachers Pension Plan (OTPP), two different sources said. OTPP and PAG declined to comment.

It is also planning to sell Australia power **company** Alinta **Energy**, estimated to be worth A\$3.5 **billion** (\$3.23 **billion**), and could begin a dual-track **sale** and listing process by early next year, the source said.

Sources declined to be identified as the details were not public.

(\$1 = 1.0828 Australian dollars) (Editing by Denny Thomas and Matt Driskill)

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**CO** khzinv : Khazanah Nasional Berhad | tpgpar : TPG, Inc.

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