PAG-Backed Indian Asset Manager Nuvama Eyes Mideast For $400 Million Fundraising

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PAG-Backed Indian Asset Manager Eyes Mideast For $400 Million

- Nuvama has hired placement agent Greenstone for fundraising
- Firm expects to collect $1 billion for three funds this year

By Preeti Singh and Baiju Kalesh
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The asset management unit at PAG-backed Nuvama Group of India plans to tap the wealthy in the Middle East for the first time.

The Mumbai-based firm is targeting 40 billion rupees ($479 million) for its latest Nuvama Crossover IV fund and expects to raise at least $300 million from family offices and rich individuals in the Middle East, according to Anshu Kapoor, president and head of the business. The funds have a term of six years and invest in companies preparing to go public on Indian stock exchanges, he said.

Indian money managers are looking to raise capital from international markets like the Mideast, the US and the UK, which have a large Indian diaspora keen to participate in the country's rising wealth and buoyant stock markets. Firms are particularly drawn to the

United Arab Emirates, expected to be the largest beneficiary of private wealth assets as Russian capital seeks new homes amid the war in Ukraine.

“As our products mature in India, as they build a track record and scale, we test the demand outside and create a mirror version for the offshore world,” Kapoor said in an interview.

Anshu KapoorSource: Nuvama Group

Nuvama also expects to raise another $100 million from the region for a new public equities long-short product, he said. Both funds have been registered in India’s new financial hub of Gujarat International Finance Tec-City, known as GIFT City.

To help raise capital for both funds, Nuvama enlisted Dubai-based placement agent Greenstone Equity Partners. The firm also plans to tap into the distribution networks of banks in the region, he said. After it finishes fundraising in the Middle East, Nuvama will offer the crossover fund to investors in India.

In addition, the firm will begin marketing its $360 million commercial real estate fund, a joint venture with Cushman & Wakefield Plc, to domestic investors with the intention of taking it offshore later, Kapoor said.

Strategic Moves

The Middle East and regions like Singapore and Hong Kong have large Indian populations as well as people with an “affinity to India,” with portfolio allocations of about 5% to 6% to the country, Kapoor said. He expects that to rise to about 10% to 12% in the next few years.

Nuvama launched its asset management business in 2021 after its split with shadow lender Edelweiss Financial Services. Kapoor expects the firm’s assets under management to grow to 200 billion rupees in the next 12 to 18 months, up from 70 billion rupees. Nuvama also plans to add another 10 to 15 people across various strategies to its team of 75 over the next few months.

Besides asset management, the group’s businesses consist of wealth management and capital markets. Nuvama Wealth Management Ltd. is also a portfolio company of PAG, the Asia-focused alternative asset manager that runs more than $55 billion in assets, according to its website. Nuvama Wealth has soared 36% this year, after listing in September.