



Topaz closes debut fund on \$91.5m - Exclusive

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Topaz Capital raised JPY 2 billion from domestic investors in the latest round of fundraising to reach its final close.

Topaz Capital, Tokyo-based debt fund manager focused on senior secured lending, has reached a final close of over JPY 10 billion (\$ 91.5 million; € 81.6 million) for its first debt fund, Topaz Private Debt I.

The credit fund has raised JPY 2 billion from Japanese investors at the latest round of fundraising to reach the final close. It is eyeing on an expected gross return of 9 percent with terms between one to three years. It provides senior secured loans to mid-cap companies in Japan.

“With the implementation of the Basel III, banks are now more stringent with capital management and conservative while lending to riskier companies,” Ken Niimura, partner and president of Topaz Capital, told PDI.

“Banks find benefit of partnering with alternative lender who is able to complement their role in riskier lending so that they can meet broader spectrum of corporate clients’ financing needs.”

The investors of the fund are regional banks, security companies and life insurance companies from Japan.

Topaz Private Debt I was launched in March 2014 and has deployed more than 60 percent of the capital raised from the previous rounds of fundraising. 70 percent of the capital was invested in turnaround corporates while 30 percent of it went into growth companies. The manager is expecting to launch a second fund once 75 percent of the fund has been deployed.

Topaz Capital is a Japanese private investment management firm which primarily invests in private debt instruments arising from both traditional corporate finance and asset-based structured finance transactions.