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Exclusive: Florida private equity fund expands, plans to offer credit



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Managers of the Florida Growth Fund are poised to launch a second fund, the *Tampa Bay Business Journal* has learned.

The new fund will be a credit fund, with up to \$100 million to provide debt financing to businesses that struggle to get bank loans.

Florida would be the first state to offer this type of credit fund, which could launch within the next month, Dave Helgerson, who runs the in-state investment program for Hamilton Lane, told *TBBJ*.

Hamilton Lane is an asset management firm hired by the [Florida State Board of Administration](#) to develop and manage the Florida Growth Fund, a private equity fund that invests using assets of the Florida retirement system. The company is in the final stages of signing documentation to launch the new fund, Greg Baty, a Hamilton Lane principal who runs the Florida Growth Fund, told *TBBJ*.

“It’s specific mandate is to invest in businesses that otherwise can’t find debt capital,” Baty said.

In searching for potential private equity investments, Baty has come across many business owners in Florida who need funding but don’t want to sell a piece of their company and have a tough time getting bank lending – in part because they are smaller, with more risk in customer concentration and fewer sources of loan repayments.

“That’s where we come in and invest,” he said.

The new fund will offer mezzanine loans, a type of financing that’s a step below senior secured bank loans.

“They’d rather pay a higher rate to a mezzanine investor so they can continue to own a bigger piece of the company and that capital can be used for growth,” Baty said.

[The Florida Growth Fund](#) is a 4-year-old private equity fund that’s invested in technology and high-growth businesses with a significant presence in the Sunshine State. The State Board of Administration can allocate up to 1.5 percent of net state retirement system trust fund assets to the



fund. The credit fund would draw from the \$500 million allocated to the Florida Growth Fund, Helgerson said.

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