



January 9, 2017

[HGGC grows investment team amid robust pipeline](#)

By Annabelle Ju

The California-based firm has expanded its investment and business development capacities as Fund III, which closed in December, prepares to deploy capital this spring.

Mid-market firm HGGC has expanded its investment team as it prepares to begin deploying capital for its latest fund, HGGC Fund III.

The Palo Alto-based firm hired Greg Hughes, David Chung and Bob Pender as executive directors to source and execute investment opportunities and support portfolio management, according to a Monday statement from the firm.

“It was with anticipation that we’d come into the new year closing out the existing fund [HGGC Fund II], and activate the new fund,” HGGC co-founder, managing director and chief executive officer Rich Lawson told Private Equity International. “We have an active pipeline of investment opportunities and working on four transactions right now.”

Hughes, Chung and Pender, who will be based in the Palo Alto office, don’t have an official start date in their positions, as they have been working with HGGC in various capacities already, according to Lawson.

“This was our attempt to formalise the working relationship we had,” he told PEI. “They are already active in our office.”

Hughes was most recently president and CEO of former HGGC portfolio company Serena Software, the \$540 million sale of which he had led in May.

Hughes had also been an operating partner at tech-focused firm Silver Lake Partners between 2011 and 2014, and held various positions at digital security provider Symantec between 2005 and 2010, according to his LinkedIn profile. Earlier in his career, he was at digital storage and infrastructure provider Veritas Software, which in 2005 became part of Symantec, and partner at consultant McKinsey & Company.

Chung joined HGGC from mid-market firm Blum Capital Partners, which pursues both private and public equities. He worked at Blum for six years and was most recently a partner in San Francisco. He also founded Perspective Value Partners, a startup fund focused on public equities, and had been a partner at \$4 billion hedge fund Standard Pacific Capital, according to his LinkedIn profile.

For his part, Chung was a director of private equity at KKR's Menlo Park office, a management consultant at McKinsey, and an investment banking analyst at Hambrecht & Quist.

Pender had been the chief operating officer of Serena Software, after serving as the company's chief financial officer for over 16 years, according to HGGC's statement.

In addition to the three executive directors, the firm also made two other personnel changes.

HGGC also brought James Herrmann on board as a business development officer from former Bain Capital portfolio company Icon Health and Fitness. Herrmann is responsible for relationship management and sourcing investment opportunities, the statement said.

An existing HGGC professional, Pat Dugoni, was also promoted to vice president from senior associate. Dugoni supports the management of HGGC Fund II's portfolio companies FPX, a cloud-based business sales processing platform, and data management provider Selligent; and Fund I's library systems software provider Innovative, the statement said.

"We have a group of dedicated in-house business development professionals, and we are going to continue to build that team out pretty aggressively," firm CEO Lawson said. "I have to attribute the success we had quadrupling the size of the firm from \$1 billion to \$4 billion, and doing 27 deals in the last fund cycle, to the business development team, which tends to be undervalued in the mid-market."

In December, HGGC closed its third buyout fund on \$1.84 billion in mid-December, surpassing its \$1.5 billion target in a matter of three months, as reported by PEI.

The hard-cap of \$1.75 billion was also met, and the final closing amount reflected additional capital from the general partner commitment. HGGC manages \$4.25 billion in assets, as of Fund III's closing, according to Lawson.