



ShoreVest targets \$750m for China fund

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Bain Capital Credit will participate as a co-investor in the fund's larger deals.

ShoreVest Capital Partners, a China-focused investment manager and a spin-out from Shoreline Capital, is currently fundraising for its \$750 million debut fund.

The fund is expected to reach a first close this summer and will target non-performing loan portfolios, distressed special situations and non-distressed situations in China, according to sources close to the matter.

It is also confirmed that some former Shoreline investors, as well as some new investors, have already committed to the fund. Investors include both Chinese and foreign institutions, according to PDI sources.

Bain Capital Credit, the leading global credit specialist, has selected ShoreVest as its exclusive partner in China. It will participate as a co-investor in ShoreVest's larger deals after the first close of the fund, relying on ShoreVest's sourcing and servicing capability in China, sources close to the matter told PDI.

Bain is also in the process of acquiring a portfolio of Chinese non-performing loans (NPLs) valued at \$200 million where ShoreVest is the master servicer on the portfolio.

Despite growing interest from investors to enter the NPL market in China, foreign firms have had difficulty doing deals on their own due to the lack of local knowledge and network. Last year, only five foreign investors managed to close deals, according to a PWC report. Shoreline completed several portfolios, Lone Star Funds and Goldman Sachs acquired two portfolios, while PAG and Oaktree Capital closed one portfolio each, according to the report.

ShoreVest is founded by Benjamin Fanger, one of the two founders of Shoreline Capital, at the end of last year after his split with his former partner Xiao Lin Zhang at Shoreline. Upon his departure from Shoreline, Fanger brought along eight former senior executives from Shoreline to establish his new firm. Therefore, the core team of ShoreVest shares a 12-year track record with Shoreline in Chinese distressed debt and structured credit.

Shoreline Capital is a private fund manager founded in 2004 specialising in finding and creating value in distressed assets and special situation investments in China. The firm has launched three funds to-date: Shoreline China Value I, Shoreline China Value II and Shoreline China Value III. Both fund II and fund III were close to being fully invested when the firm decided to wind down the funds after the two founders split in October last year.

Source: <https://www.privatecreditor.com/news/asia-pacific/2017-06-13/shorevest-targets--750m-for-china-fund/>