



ShoreVest begins investing in Chinese NPLs

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ShoreVest Capital Partners, an institutional private investment firm specialising in Chinese distressed debt and structured credit, is bidding on its first non-performing loan (NPL) deals, just a few months after its launch.

ShoreVest's core team members have a 12-year track record and a combined 100+ years of experience in Chinese distressed debt and structured credit.

Much of this experience came from the many years they worked together as the majority of the senior team at their prior firm, Shoreline Capital.

Eight out of the 12 senior investment, legal, and compliance members from Shoreline Capital's prior funds are now at ShoreVest or its partner servicing company.

The team includes Benjamin Fanger (pictured), former Shoreline founder and managing director; Dannon Shen, former Shoreline managing director and legal department head; Yonghui Wu, former Shoreline head of debt servicing; Daniel Ling, former Shoreline chief risk officer and chief compliance officer; Viviane Mao, former Shoreline principal and head of investor relations; Ada Bi, former Shoreline CFO; Joyce He, former Shoreline senior legal counsel; and two former Shoreline partners, Hui Zheng and Meczy Mei, who now run ShoreVest's partner debt servicing company.

ShoreVest is also joined by two senior advising partners Howard Chao and Jim Chang, who were previously investors in all of Shoreline's funds and have decades of deal experience in China; as well as Andy Brown, a specialist in credit cycles, who leads ShoreVest's macro research.

Fanger says: "Our business is a human business, founded on alignment of interests with investors, a platform of diverse and senior professionals who desire to continue to work together over the long term, and a depth of experience we believe is unparalleled. These principles are what have brought us together again within ShoreVest."

Chinese NPLs are generally estimated at USD3 trillion, or at least six times larger than the previous cycle when estimates were around half a trillion dollars.

Fanger says: "China has entered the distressed stage of the cycle and started deflating one of the world's largest credit excesses. Beijing and bank regulators have been actively encouraging Chinese banks to

recognise and sell NPLs. Indeed we are working with an unprecedented deal flow.”

As part of its launch, ShoreVest implemented a customised software tool to track NPL deals that the team is interested in. In just a few months since it was formed, ShoreVest’s database currently has over USD15 billion of potential investments that the team is tracking. The firm is currently preparing bids on several portfolios, which would be acquired with capital from ShoreVest’s relationship with one of the largest asset managers in the world.

Howard Chao, one of ShoreVest’s senior advising partners, says: “As an investor in the team’s prior platform, I have watched the ShoreVest team members working together for over ten years. When building ShoreVest, we have taken into account past experiences and are determined to build a world-class investment management firm. I am grateful to be able to work with this great team.”

<http://www.privateequitywire.co.uk/2016/11/11/245680/shorevest-begins-investing-chinese-npls>