

Outbound RMB fund target: 3b yuan

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Private equity firm A-Capital announced yesterday that the country's first outbound RMB fund will have a targeted maximum value of 3 billion yuan (\$457 million), which will be used to help Chinese companies pursue strategic equity investment opportunities in Europe.

A-Capital signed a memorandum of understanding with the Beijing Municipal Bureau of Financial Work on the formation of an RMB-denominated fund earlier this month.

A-Capital will receive "...preferential treatment from the Beijing government including taxes and accessing opportunities to some Chinese State-owned and private enterprises who prefer to invest overseas," said A-Capital CEO and founder André Loesekrug-Pietri yesterday.

The company, which already launched a euro fund last year dedicated to China-Europe cross-border investments, will benefit from the opportunity to raise capital in RMB from Chinese institutional and private investors. The fund will be registered in Beijing and pursue strategic equity investment opportunities in Europe, according to the firm's statement. One industry watcher said this new kind of outbound RMB fund would receive government support, but attracting limited partners should be atop the founder's agenda.