

Ex-Winnington CEO launches PE fund

Eddie Wong is teaming up with former Income Partners Asset Management partner Jiffriy Chandra to launch TransAsia Private Capital.

posted - 10 Apr 2013 00:00 GMT

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Eddie Wong, the former chief executive officer at Hong Kong hedge fund-cum-private equity real estate firm Winnington Capital has joined forces with ex-Income Partners Asset Management partner Jiffriy Chandra to launch a private equity business focused on Greater China and Southeast Asia.

The pair's TransAsia Private Capital will focus on investments in three core sectors: consumer, real estate and resources and commodities.

The firm is expected to be seeded with \$50 million of equity from local Hong Kong high net worth sources, and it is already evaluating an investment in the retail sector in China valued at approximately \$20 million in which some of that equity might be deployed.



While in the first instance TransAsia is expecting to invest its resources on a deal-by-deal basis in order to build up a transaction record, a first fund tentatively entitled TA Asian Consumers Capital Partners, is already in the offing, according to marketing documents. Targeting IRRs of 30 percent to 35 percent or 2x to 3x equity, the fund would be used for investments in pre-IPO companies through special situations/workout approaches.

In the documents the firm said it would "unlock value by active approach via deal structuring, capital re-profiling, shareholder buyout, financial controls, financial planning, fundraising and IPO planning".

Eddie Wong

Typical deal sizes for the fund, which would have a secondary focus on real estate, would range from between \$10 million and \$30 million, deliberately so as to fall under the radar of some of Asia's larger private equity players.

The firm said: "There's a flood of big private equity competing for \$50 million type 'last mile' clean deals. There is also a lack of smaller capital providers for mid-stage private equity with some financial (not operational) problems."

For the fund, TransAsia would charge a fairly typical general partner fee of 2 percent and carried interest of 20 percent over a preferred return hurdle of 8 percent.

Wong left Winnington in 2011 after six years with the company during which he led the raising of China's largest private equity real estate fund, Trophy Property Fund, which attracted more than \$1 billion from institutional investors around the world.

That fund has since been the subject of clashes between Winnington, its more than 100 investors and Shui On Land, the developer of its investments. As *PERE* revealed last week, after a protracted period, the parties are set to agree a **comprehensive restructure** aimed at affording the investors a viable exit although they are likely to endure a meaningful write-down on their capital.

Chandra was one of three partners of Income Partners Asset Management, the Asian fixed-income and debt focused asset manager. There he was responsible for managing private capital, distressed investments and fixed income hedge funds but opted to leave the firm after it streamlined its focus to liquid markets only.

This article originally appeared on PEREnews.com.