



Private Equity Online – September 10, 2007 – GEM, CITIC target \$1bn for natural resources fund

The Global Emerging Markets Group and the Chinese government's investment arm are together raising a \$1 billion fund to target mineral energy sources in the developing world.

The Global Emerging Markets Group is currently raising a \$1 billion (€724 million) fund with the China International Trust & Investment Company. The fund will target non-oil and non-gas natural resources in China, Southeast Asia and Africa.

The fund will invest in incumbent mines, and also make green field investments, said GEM managing director Suneel Kaji. Kaji said GEM and CITIC are interested in hard mineral resources, including coal, zinc and potassium. CITIC, the investment arm of the Chinese state, will bring to the partnership its access to a number of state-owned mines that are slated for the divestiture block.

Both GEM and CITIC will be anchor investors for the new fund, which is expected to close “well into the new year”, Kaji said. The fund’s LPs will likely include institutional investors and hedge funds, preferably those with an appetite for co-investment.

GEM has only recently begun to invest directly in Chinese businesses. Previously, the firm was a limited partner in the CICC/Morgan Stanley Fund, and also invested in China through the public markets. But its first private equity investment in the region closed this August, when the firm invested \$28 million to back the management buyout of Ansen Investment Holdings, a Hong Kong-based consumer electronics business.

See article at <http://www.privateequityonline.com/Article.aspx?aID=0&article=11532>.

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