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Best China-Focused Long-Term Active Asset Manager
& Best Multi-Sector Small Cap Hedge Fund (Since Inception):
Heng Ren Investments LP



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Heng Ren Investments LP is a constructive, innovative, and active investor in “orphaned” Chinese stocks listed on U.S. stock exchanges. Peter Halesworth provides us with a unique insight into the firm and the investment opportunities it offers.

Heng Ren, based in Boston, Massachusetts, seeks to engage companies by sharing our research and analysis to assist them.

Heng Ren's objective is to create long-term value for these orphaned public companies, and their shareholders, including ourselves and our investors. The firm's ultimate objective is to help company managements improve their reputation with investors by identifying very fixable problems and offering solutions. We share this in a transparent fashion in the public forum so shareholders and investors can evaluate the problems and the solutions, and monitor progress.

Our fund is the “Overseas Chinese” fund. The strategy is to invest in the “Next China” of entrepreneurial, private sector companies whose stock trades only on U.S. stock exchanges – at low valuations. We are exploiting this rare convergence of value and innovative growth companies that we believe over the long term will produce superior returns for investors.

As a fund manager Heng Ren invests in a universe of stocks – Chinese companies listed solely on U.S. stock exchanges – that are ignored by Wall Street and conventional funds. This offers us the opportunity to invest in undervalued “hidden gems” we unearth in a non-competitive area with the advantage of an institutional and professional approach to valuation. Our research is highly proprietary, and in some cases we have the only known valuation model in the world for some companies because they are ignored and under researched.

Heng Ren recently made a successful push for a higher bid in the buyout of Jiayuan.com International Ltd., China's largest online dating site, which ended in a 41% increase in the final buyout price to be paid to shareholders. Heng Ren challenged a Buyer's Group, including the co-Chairman, offer of \$5.37 per share of being well below fair value. Heng Ren lobbied a Special Committee evaluating the buyout offer, published its valuation analysis, and broadcasted its views in the Chinese and Western financial media. Multiple competing bids were received. Ultimately the bid was raised to \$7.56 per share, an increase of 41% from the original bid, adding US\$73 million in value for all shareholders of Jiayuan.com.

Moving forward Heng Ren is looking to expand its fund as there are plenty of opportunities to invest in the “Next China” at low prices in our stock universe. Our success as constructive and active investors has brought queries from investors who believe our strategy would work in other markets, and Emerging Markets in particular. Overall we are excited about what the future has in store for the business.

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