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Proprietary firm launches healthcare fund in China

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The firm plans to launch a China-dedicated technology fund.



Eight Roads Ventures, the proprietary investment arm of Fidelity International Ltd, has launched its first dedicated China healthcare fund, doubling down bets on the country's rapidly growing medical sector.

The firm also plans to launch a China-dedicated technology fund. The $250 million China healthcare fund will allocate 40 percent of the capital in therapeutics, betting on a boom in innovative drugs in China.

Beijing has initiated ambitious policy reforms to invigorate healthcare, part of efforts to meet rising demand for quality medical services.

China has forecast total healthcare spending will surge to 8 trillion yuan ($1.2 trillion) by 2020, as the country tries to cope with a boom in its aging population.

That has created investment opportunities. Shuang Rongqing, a veteran private equity investor, last month launched a $150 million cross-border medical device fund aimed at tapping into China's huge demand for overseas high-tech medical equipments.