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COVER STORY

CHINA CLEANTECH: POLICY TAILWINDS

PE investment in China cleantech and renewables is at record levels, spurred by robust government support. Is the boom sustainable this time?

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TALKING POINTS

FROM $100B to $1T

"While $100 billion looks like a big number, because 15 years ago it was $10 billion, it's still a small part of the overall industry. We have projections for $500 billion over the medium term," Francois Aguerre, head of origination at Coller Capital, told AVCJ last month in reference to secondary volume likely reaching $100 billion in 2021.

Yann Robard, a managing partner at Whitehorse Liquidity Partners, is even more bullish, plotting a course to $1 trillion in annual volumes by 2030.

"Break it down in terms of what that means from a private capital perspective, it's very small. Private capital has grown from $5 trillion globally in 2016 to $10 trillion in 2020. It has doubled in size, with an annual growth rate of 18%. Cut that growth rate to 10%, just to be conservative, that gets you to $16 trillion by 2025 and $25 trillion by 2030," Robard told the AVCJ Private Equity & Venture Forum.

"This year we are talking about the secondary market breaching $100 billion for the first time. But the secondary market is trading on 1% of the $10 trillion out there today. If that 1% grows to 4% over the next 10 years, 4% of $25 trillion is $1 trillion of annual secondary market volume."

This rise from 1% to 4% will be driven by growth in the GP-led space, LPs being more active in how they manage their portfolios, the GP stakes market blurring with the secondaries market, more capital from constituencies that tend to value liquidity, such as retail investors, and a general maturation of different private asset classes.

Asia accounts for a tiny percentage of global secondaries, yet Jeff Keay, a managing director at HarbourVest Partners, noted that the demand-supply mismatch "is even more pronounced in Asia" than globally, However, allowing investors to be selective can draw out syndication processes and necessitate more syndicate participants.

In depth

- Secondaries: Straight outta Asia **- September 2021**

PORTFOLIO

DYMON ASIA AND SINGAPORE'S AMES

For all the hubbub about digital businesses taking flight during the pandemic, few categories saw as much upside as traditional medical waste disposal. Dymon Asia Private Equity is enjoying the ride.

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DEAL FOCUS

PERMIRA PASSES TRICOR TO BARING

Permira helped Tricor consolidate its position in Asian corporate services and upgrade its product offering. Under Baring Private Equity Asia's ownership, the CEO wants to build a $10 billion company.
Read more

FUND FOCUS

A91 BASKS IN INDIA'S AFTERGLOW

Having increased its Fund II hard cap to $550 million in response to investor demand, the Indian manager is ready to address an Indian market that is increasingly digital, VC-exposed, and expensive.
Read more

DEAL FOCUS

SERVING BIRYANI AT SCALE

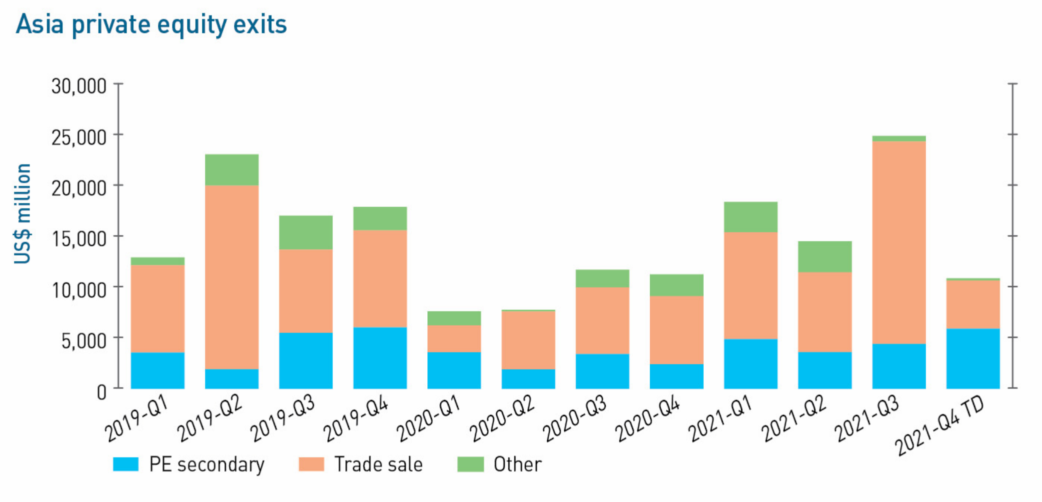
With biryani the dish of choice on India's food delivery apps, Biryani By Kilo is looking to build out a standardized cloud kitchen model. It has $35 million in Series B funding to pursue this ambition.
Read more

By the Numbers

AVCJ RESEARCH

SPONSORS GO LARGE

In the first three months of 2020, quarterly PE secondary sales in Asia outpaced trade sales for the first time in eight years. There were extenuating circumstances. The world was in the grip of COVID-19, strategic investors were spooked, and trade sales were at a post-global financial crisis low. Activity has rebounded, but it only surpassed pre-COVID levels in the third quarter of 2021, spurred by some big financial technology deals. The fourth quarter still has one month to run, but secondary sales are currently ahead of trade sales, on $5.9 billion versus $4.7 billion. The likes of Tricor Group and Icon Group move the needle, but there has been a steady stream of mid- to large-cap transactions, ranging from Nucleus Network to A Twosome Place.



Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

Read more on AVCJ Research

The rest of the week

FUNDS

- Legend hits first close on healthcare fund, launches TMT vehicle
- Blume hits $105m first close on fourth India VC fund
- CDC expands Asia footprint

DEALS

- RedBird joins $840m round for India's Dream Sports
- PE investors wary of inflation in 2022 - AVCJ Forum
- Tiger Global, Insight lead $220m round for India's Slice
- Japan space debris start-up Astroscale gets $109m Series F
- HESTA backs PEP-owned Australia software business
- China GPU chip designer secures $313m Series A
- KKR backs Southeast Asia K-12 schools business
- Australia's Five V sells GP stake
- SPAC regime reflects HK's cautious approach to expansion - AVCJ Forum
- DCP leads $235m round for China's Datong Insurance

For your calendar

UPCOMING EVENTS

- **December 2** - Hong Kong M&A Forum
- **December 9** - AVCJ Diversity & Inclusion Forum

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