AVCJ Weekly Digest | 20 July 2022

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COVER STORY

ASIA LOGISTICS COST AND COMPLEXITY

Investment opportunities are expected to emerge as companies look to technology as a means of easing inflationary pressure on supply chains.

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GP PROFILE

INDONESIA'S FALCON HOUSE PARTNERS

Falcon House Partners is one of the few survivors in Indonesia's promising but challenging middle-market private equity space. Being hands-on is part of the secret.
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DEAL FOCUS

SJL FILLS KOREA'S CROSS-REGIONAL GAP

Steve Lim launched SJL Partners to help Korean corporates pursue M&A in the US and Europe, having seen global GPs pass on such opportunities. Meridian Bioscience is the latest addition to the portfolio.
Read more

FUND FOCUS

LIGHTSPEED RAMPS UP IN INDIA, SOUTHEAST ASIA

Lightspeed Venture Partners is leaning hard into developing Asia with long-range vision, added operational resources, and a new USD 500m war chest.
Read more

DEAL FOCUS

SEEING LIGHT AT THE END OF THE COVID-19 TUNNEL

Taiwan travel start-up KKday continues to raise capital seemingly on its own terms despite flights remaining largely grounded. It expects a boom toward year-end and near-normalcy in 2023.
Read more

By the Numbers

AVCJ RESEARCH

ASIAN OUTPOSTS

Where is the optimal location for a global LP's Asian base of operations? This question has been asked numerous times as Canadian pension plans, typically driven by a desire to put more money into private markets and have more direct exposure to assets, have put down roots here.

Alberta Investment Management Corporation is about to join the party, with Peter Teti, the group's head of private equity, explaining why Singapore was chosen over Hong Kong. There were two key points: Hong Kong is too close to mainland China and associated geopolitical issues; and Singapore is the best place to execute a truly pan-Asian strategy rather than one skewed towards China.

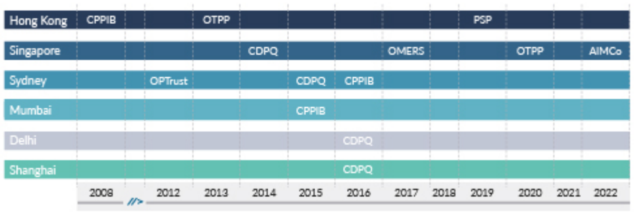
It further stirred ongoing debate about Hong Kong's future as a regional financial hub and how China's role in the portfolios of large global institutional investors may change.

The reality is that these decisions can be idiosyncratic, determined by the resources and risk appetite of individual pension plans. Canada Pension Plan Investment Board (CPPIB) has 20x the assets of OPTrust and employs several times as many people. It has offices in Hong Kong, Mumbai, and Sydney. OPTrust is only in Sydney.

The distribution of Asian portfolios across different private asset classes and the key geographies for co-investment are also factors. If North Asia is likely to generate a lot of co-underwriting opportunities, it might be easier to work out of Hong Kong. If direct investments in mature infrastructure feature strongly, an Australia base makes sense.

And then some LPs, like British Columbia Investment Management, seek meaningful Asian exposure, including co-investment, without venturing far from home. They believe a cohesive investment culture shouldn't be risked for the sake of convenience.

Asia-based offices of Canadian pension plans



Source: Annual reports

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

LPs

- Temasek sees portfolio hit new high, warns of global weakness

DEALS

- China's Miss Fresh brings in state backer at knock-down valuation
- Hong Kong's Animoca Brands raises another $75m
- China GPU chip developer Iluvatar raises $149m
- ANZ withdraws from MYOB acquisition talks
- IDG leads $100m Series A for China's Xpeng Robotics
- Australia's Fortitude exits Shopper Media to Woolworths
- Japan's MPower backs construction workers' platform
- India credit card player OneCard raises $100m
- Navis backs Singapore expansion for family office software provider
- India blockchain player raises $100m Series A
- Glade Brook leads $20m round for Indonesia's Kitabeli
- China autonomous road sweeping start-up raises $30m
- India SaaS player Detect Technologies closes $28m Series B
- Tiger Global leads Series A extension for Singapore's Intellect
- Australia customer reviews specialist gets $26m Series A

For your calendar

UPCOMING EVENTS

- **25 July 2022** - Infralogic Investors Forum - Asia Pacific
- **26-27 July 2022** - AVCJ Southeast Asia Forum
- **28 July 2022** - Mergermarket M&A Forum - Southeast Asia
- **7 September 2022** - AVCJ Korea Forum
- **13 September 2022** - Infralogic Investors Forum - Japan
- **14-15 September 2022** - AVCJ Japan Forum
- **13 October 2022** - Debtwire Forum - Asia Pacific
- **25-26 October 2022** - AVCJ China Forum
- **14 November 2022** - AVCJ ESG Forum
- **14 November 2022** - Diversity & Inclusion Forum
- **15-17 November 2022** - AVCJ Private Equity & Venture Forum
- **6 December 2022** - Mergermarket M&A Forum - Hong Kong

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Get in touch

subs@avcj.com

9/F Standard Chartered Bank Building
4-4A Des Voeux Road, Central; Hong Kong SAR