AVCJ Weekly Digest | 09 November 2022 [View in browser]

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COVER STORY

HONG KONG-SINGAPORE: NO ZERO-SUM GAME

Confidence in Hong Kong as a private equity hub has been dented, while Singapore is on a roll. But gains for one don't translate into losses for the other.

Read more

Q&A

SUYI KIM OF CPPIB

Suyi Kim, global head of private equity at Canada Pension Plan Investment Board, on investing amid uncertainty, finding alignment with partners of all types, and the evolution of direct investment.

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ANALYSIS

CHINA TO SINGAPORE: A VC INVASION

Chinese venture capital firms are establishing and expanding operations in Singapore in response to challenges at home and to address the Southeast Asian market. Do they have staying power?

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Q&A

MICHAEL DENNIS OF BLACKROCK

Michael Dennis, managing director and head of alternatives strategy and capital markets for Asia Pacific at BlackRock, on co-investment, customisation, and what Asian investors want from alternatives.
Read more

ANALYSIS

HONG KONG-SINGAPORE: NEW ECONOMY IPOs

Hong Kong and Singapore are both keen to attract listings by high-growth technology companies. Some of the targets are the same, but the strategic positioning is different.
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Q&A

TIANHAO WU OF NORTHWESTERN UNIVERSITY

Tianhao Wu, a managing director in the investment team at Northwestern University's endowment, on adding new GP relationships, addressing China risk, and pursuing geographic diversification in Asia.
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By the Numbers

AVCJ RESEARCH

CHALLENGED CHINA

Looking for a watershed moment that crystallised the China technology opportunity and set the tone for the boom that followed, it is difficult to look past Alibaba Group's IPO in 2014. Even as the company prepared to go public, a new generation of VC firms was emerging, started and staffed by teams coming from large local technology companies.

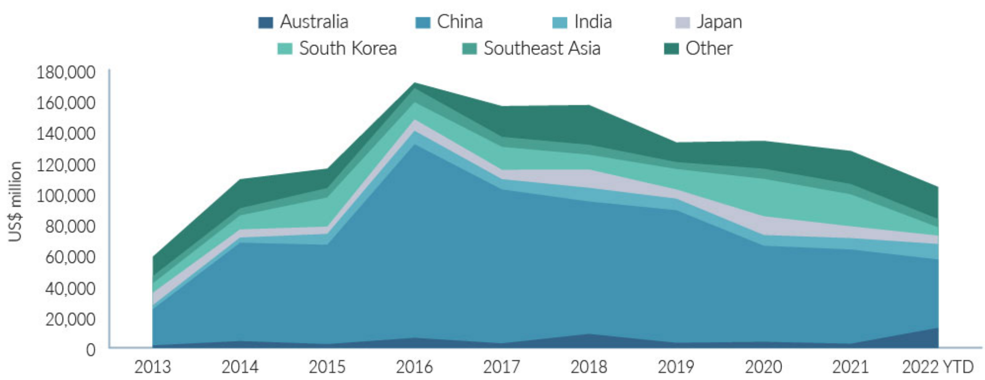
Reflecting this changing dynamic, China PE fundraising – across US dollar and renminbi-denominated vehicles – rose from USD 23.4bn in 2013 to USD 63.7bn the following year. It surpassed USD 100bn for the first time in 2016, nearly did the same again in 2017, and slipped below USD 65bn in 2020.

It appears that 2022 will see China fundraising fall short of USD 60bn, with approximately USD 44.3bn raised as of mid-November – and about one quarter of that went to Sequoia Capital China and Qiming Venture Partners.

The China share of region-wide fundraising reached 58% in 2014, hit 73% in 2017, and retreated below 50% in 2020. For 2022 to date, it is 42%. This represents at a still significant slice of a smaller pie, with USD 104.1bn raised by Asia-focused managers as of early November, compared to USD 127.4bn for the full 12 months of 2021.

The pan-regional fund contribution has held up reasonably well, with the likes of The Blackstone Group and BPEA EQT raising substantially more than in the previous vintage. On a country basis, only two markets of meaningful size have already exceeded their 2021 totals: Australia and India.

Asia private equity fundraising by jurisdiction



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 AVCJ Weekly Digest will skip an issue next week. It returns on November 23.

The rest of the week

FUNDS

- Quadrant spins Australia car services business into continuation fund
- Quona closes third financial inclusion fund on $332m
- Australia VC player Blackbird closes $647m fund
- China's Inspiration Capital closes Fund II on $82m
- Chiratae reaches $93m first close on debut India growth fund
- L Catterton hits first close on debut renminbi fund
- India's 8i Ventures hits first close on Fund II

DEALS

- Investors endorse 'long Chinese' thesis - AVCJ webinar
- Australia's Perpetual rejects $1.1b bid from BPEA EQT, Regal
- Altos, Mirae join $85m round for Korea sneaker trading platform
- China battery maker WeLion secures $207m Series D
- Singapore digital family office platform raises $90m
- China's Giant Biogene trades up after $70m Hong Kong IPO
- GEF Capital backs India EV components supplier Electra EV
- Dayone invests $63m in China liquor brand

For your calendar

UPCOMING EVENTS

- **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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