



# Industry Statistics Year-end 2017

Emerging Markets Private Capital Fundraising and Investment

# About EMPEA

EMPEA is the global industry association for private capital in emerging markets. We are an independent non-profit organization. We have over 300 member firms, comprising institutional investors, fund managers and industry advisors, who together manage more than US\$1 trillion of assets and have offices in more than 100 countries across the globe. Our members share EMPEA's belief that private capital is a highly suited investment strategy in emerging markets, delivering attractive long-term investment returns and promoting the sustainable growth of companies and economies. We support our members through global authoritative intelligence, conferences, networking, education and advocacy.

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# Announcements & Acknowledgements

## Important Update to EMPEA's Research Methodology

Please note that this release incorporates several changes to EMPEA's research methodology. Afghanistan and Pakistan are now included in Emerging Asia, rather than MENA, regional totals. In addition, unless otherwise specified, EMPEA's data and statistics now include expanded coverage of private infrastructure and real assets and private credit funds, in addition to previously reported private equity activity.

For more information, please see our full Research Methodology at the end of this report or click here: <https://empea.org/data-methodology/>.

## Acknowledgments

EMPEA would like to acknowledge Industry Partners who were consulted during the compilation of our Industry Statistics: the African Private Equity and Venture Capital Association (AVCA), Asociación Mexicana de Capital Privado (AMEXCAP), Associação Brasileira de Private Equity & Venture Capital (ABVCAP), Association Marocaine des Investisseurs en Capital (AMIC), Czech Private Equity & Venture Capital Association (CVCA), Hong Kong Venture Capital & Private Equity Association (HKVCA), Latin American Private Equity & Venture Capital Association (LAVCA) and the Polish Private Equity and Venture Capital Association (PSIK). We thank these Industry Partners for their support.

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- EMPEA Members receive exclusive access to detailed reporting and analysis, including:
  - Fundraising and investment by region, sub-region and country;
  - Fund size distribution;
  - Listing of fund managers, funds, investments and exits;
  - Investment size distribution by region;
  - Investment by strategy and sector; and,
  - Cambridge Associates fund performance data.
- For additional information, please email the research team at [research@empea.net](mailto:research@empea.net) or call +1 202 524 6113.

# EMPEA Research Methodology

*EMPEA's research methodology has been updated as of 2 November 2016. Afghanistan and Pakistan are now included in Emerging Asia, rather than MENA, regional totals. For any questions, please contact [research@empea.net](mailto:research@empea.net) or +1 202 524 6113.*

EMPEA's industry data and statistics provide an overview of fundraising, investment and exit activity among private alternative asset managers active in the emerging markets of Africa, Asia, Europe, Latin America and the Middle East. Unless stated otherwise, the information presented in EMPEA reports and data products is drawn from EMPEA's proprietary research database, FundLink, and is based on data obtained from surveys of industry participants, direct communications with fund managers, press releases, trade publications and exchanges with regional and local venture capital associations. Fundraising, investment and exit amounts in EMPEA reports have been confirmed wherever possible directly by fund managers. EMPEA updates historical data on a quarterly basis as new data from fund managers and other sources is compiled in FundLink. Any discrepancies between the aggregate statistics published by EMPEA and the constituent data on individual funds and transactions included in tables and raw data files can be attributed to confidential information that has been omitted from public reporting.

**EMPEA's reporting covers activity by *long-term, fixed-life, private, direct investment funds, backed by institutional investors, across the following three asset classes: private equity, private credit and private infrastructure and real assets—collectively "private funds" or "private capital"*. EMPEA data and statistics exclude activity from real estate funds, funds of funds, secondaries funds, traditional investment holding companies, corporate strategic investors, government-owned or -managed entities and captive investment vehicles, as well as funds investing primarily in publicly-traded equity or debt securities.**

## Funds

Reported fundraising totals reflect only official closes (interim and/or final) as reported in primary and secondary sources or directly by fund managers. Capital commitments accruing prior to or between official closes are not included in reporting.

## Investments

**EMPEA classifies investments into one of three asset classes—private equity, private credit and private infrastructure and real assets—and into one of the following deal types: buyout, growth, venture capital, PIPE, mezzanine or debt.** Venture capital includes seed, early-stage and late-stage investments. When determining how an investment should be classified, EMPEA takes into account the typical investment strategy of the fund manager(s) involved, the type of security acquired, the reported round number or type of transaction, the development stage of the company at the time of investment, the company's business model and the type of product or service that the company provides. Secondary investments (both traditional and direct) are excluded from reporting. In addition, wherever possible, bank (acquisition) financing and co-investment from excluded entities (mentioned in the first section of this note) are excluded from reported investment values, both to ensure continuity across regions and to provide a more accurate picture of the scale and pace of capital deployment by the funds that are the primary focus of EMPEA's research.

# EMPEA Research Methodology *(continued)*

## Exits

EMPEA does not publish aggregate statistics on exit activity due to significant selection bias in the reporting of these transactions. Accordingly, exit data included in EMPEA reports and data products should not be treated as a comprehensive picture of all emerging markets exit activity, but as a sampling of exits from a given market or time period.

## Sectors

**EMPEA's fund and company sector classifications are based on the Industry Classification Benchmark (ICB),** which is owned by FTSE International Limited (FTSE). FTSE® is a trademark of the London Stock Exchange Group companies and is used by FTSE under license. FTSE does not accept any liability to any person for any loss or damage arising out of any error or omission in the ICB.

## Abbreviations commonly used in EMPEA reports

EM – Emerging markets  
PE – Private equity  
VC – Venture capital  
GP – General partner (fund manager)  
LP – Limited partner (fund investor)

In some exhibits in EMPEA publications, percentage labels may not sum to 100% due to rounding. In all tables in which it appears, "N/A" denotes a confidential or otherwise undisclosed value.

## Geographies

**EMPEA data and statistics are compiled based on the "market" approach.** Fundraising activity is categorized based on the countries, sub-regions or regions in which fund managers intend to invest, while investment activity is categorized based on the country headquarters of investee companies. For companies registered in offshore financial centers or developed markets, but operating exclusively or predominantly in emerging markets, investment activity is categorized based on the geographic footprint of the operations of investee companies. In the case of global or multi-regional funds, only those funds investing primarily in emerging markets are included in fundraising totals (e.g., pan-Asia funds with a significant portion of capital intended for investment in China and India). Country-dedicated fundraising data and statistics reflect only those funds with a single-country strategy or mandate. Target allocations to individual markets within a broader global or regional fund are not attributed to single-country fundraising totals.

## Regions in this report

- **Emerging Asia:** Asia Pacific, excluding Japan, Australia and New Zealand.
- **Central and Eastern Europe (CEE) and Commonwealth of Independent States (CIS):** European Union accession countries (2004), Southeastern Europe (excluding Greece) and Turkey, as well as Russia and other CIS countries.
- **Latin America:** Mexico, Central and South America and the Caribbean (excluding Puerto Rico and other overseas territories and departments).
- **Middle East and North Africa (MENA):** Gulf Cooperation Council (GCC), Iran, Iraq, Jordan, Lebanon, Palestinian Territories, Syria and Yemen, as well as North Africa (Algeria, Egypt, Libya, Morocco, Sudan and Tunisia).
- **Sub-Saharan Africa:** Africa, excluding North Africa as defined above.

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- Cambridge Associates PE & VC Fund Performance

Year-end 2017 Industry Statistics | Emerging Markets Private Capital

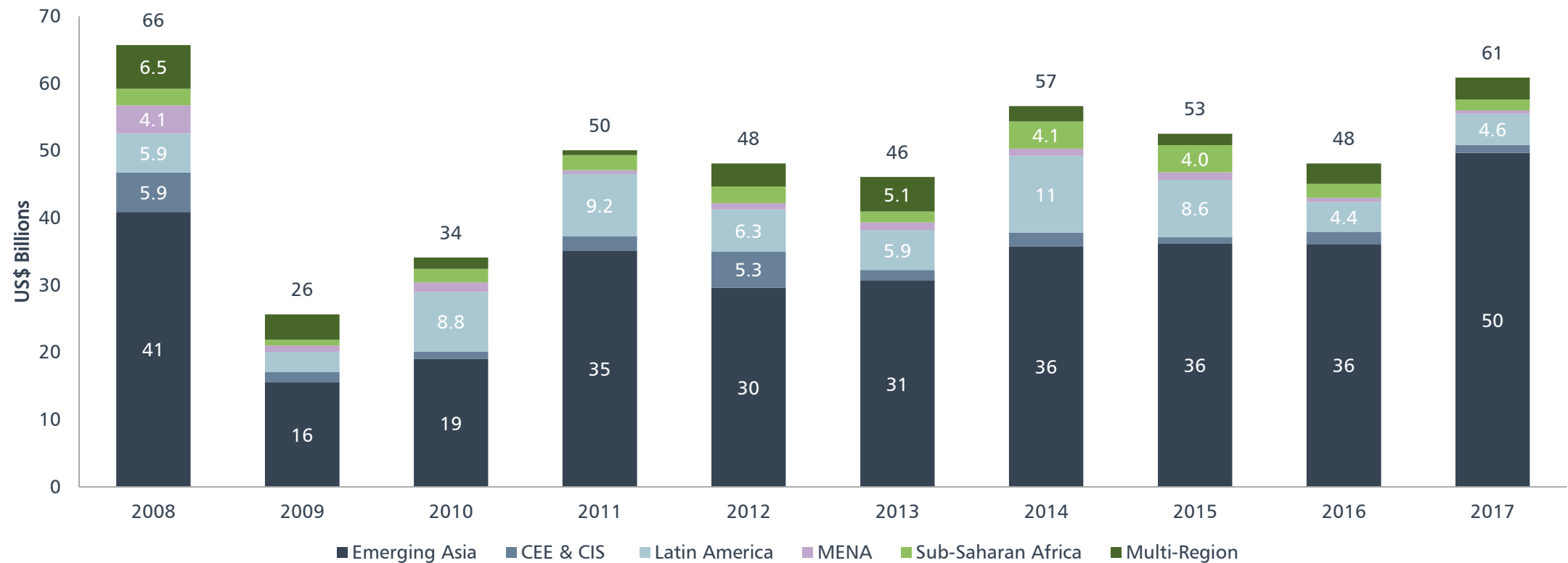
# Highlights



# Fundraising: Coming Full Circle

Emerging Asia led EM private capital fundraising, which reached its highest level since 2008

Emerging Markets Fundraising by Region, 2008-2017

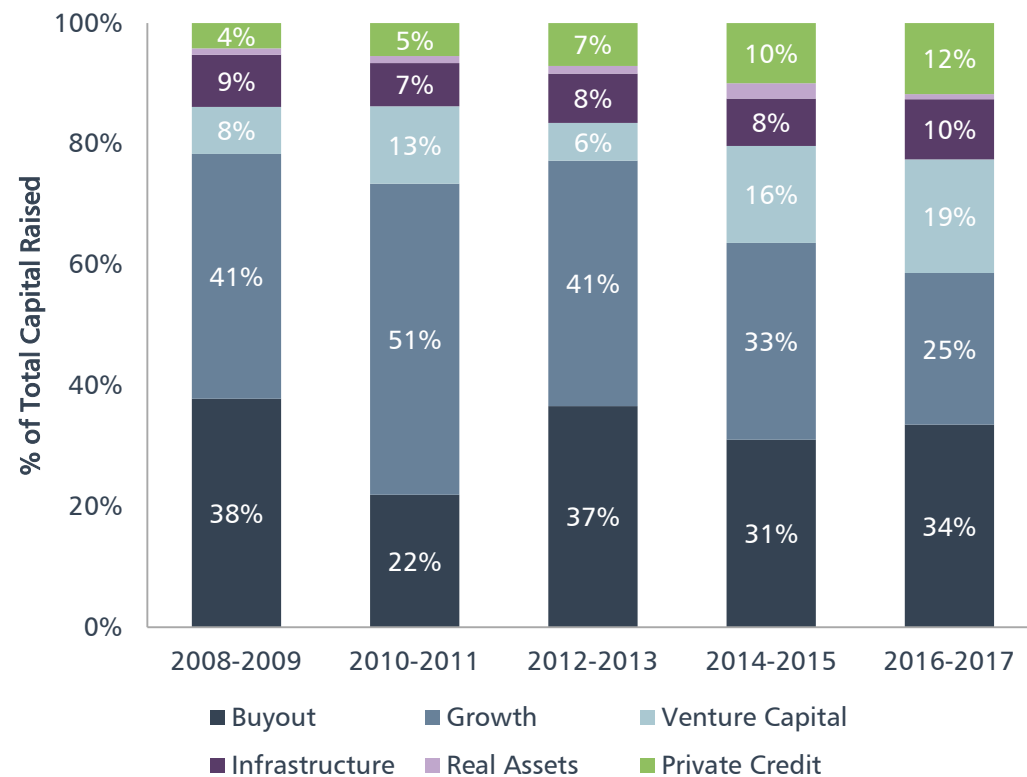


Note: Unless otherwise specified, all 'Highlights' data includes PE, private credit and infrastructure and real assets. Data as of 31 December 2017. Published 20 February 2018.

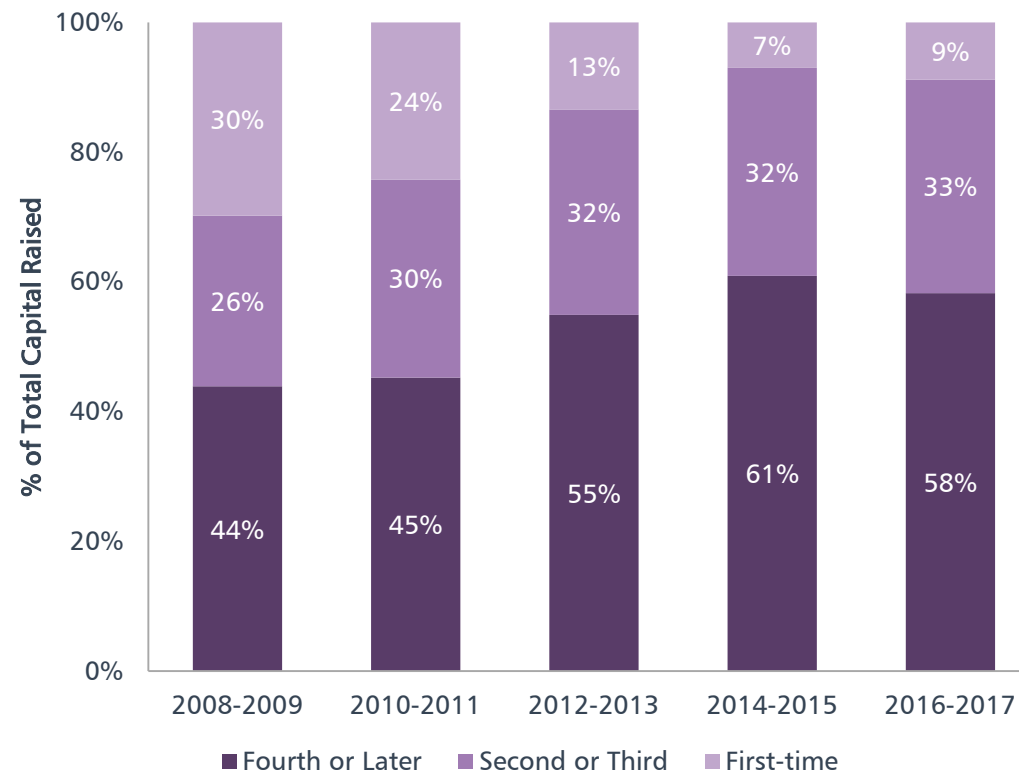
# Fundraising: Strategy Shift

Venture capital, infrastructure and private credit continue to gain ground; growth equity commitments are mostly accruing to proven GPs

Emerging Markets Fundraising by Strategy, 2008-2017



Growth Equity Fundraising by Fund Sequence, 2008-2017

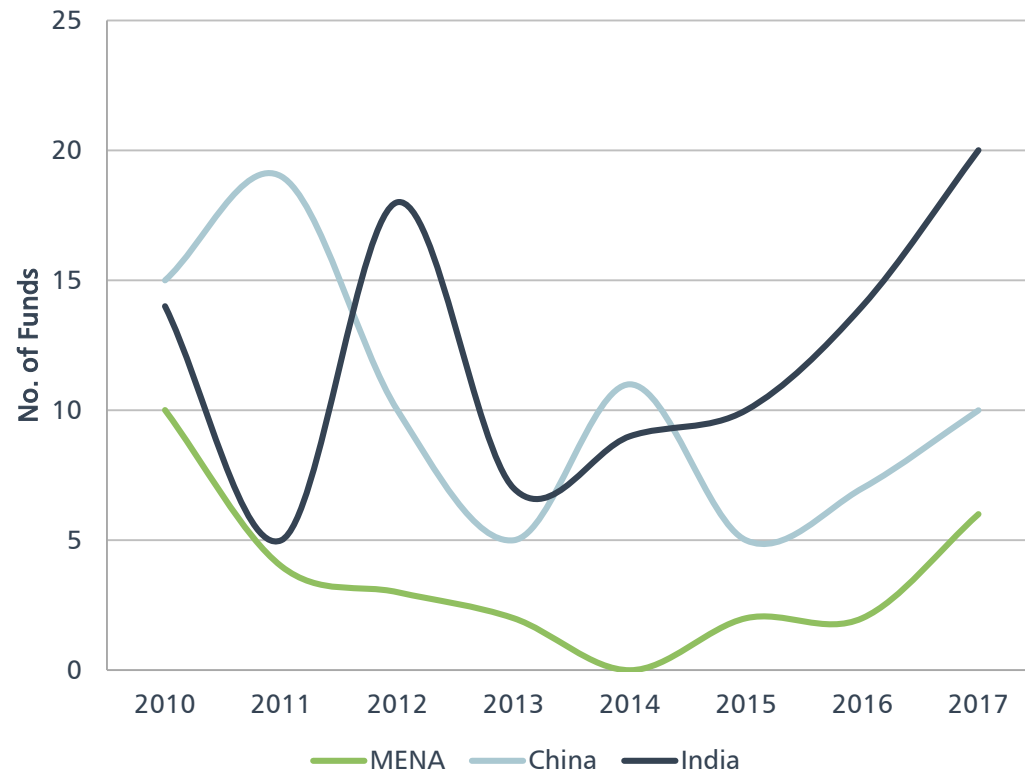


Note: 'Fundraising by Fund Sequence' includes both final and interim closes. Data as of 31 December 2017. Published 20 February 2018.

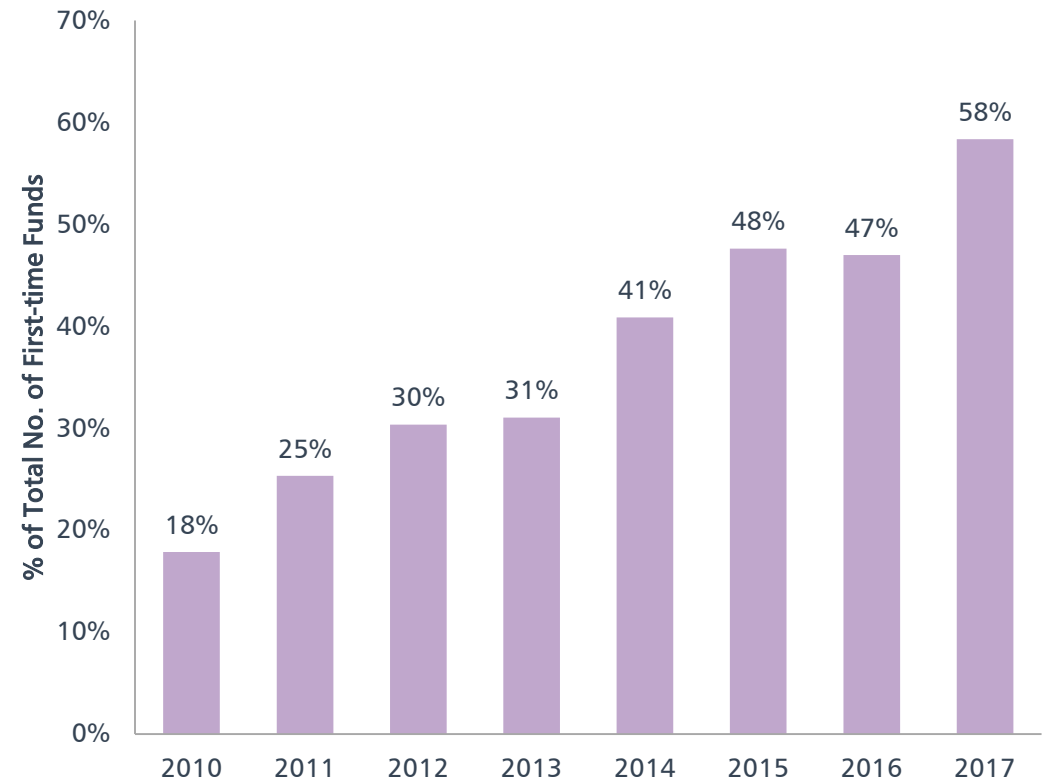
# Fundraising: New VC Teams

Venture capital funds led an upturn in fundraising for first-time teams in 2017, especially in MENA, China and India

No. of First-time Funds Raising Capital – Select Markets, 2010-2017



Venture Capital Share of First-time Funds Holding a Close, 2010-2017

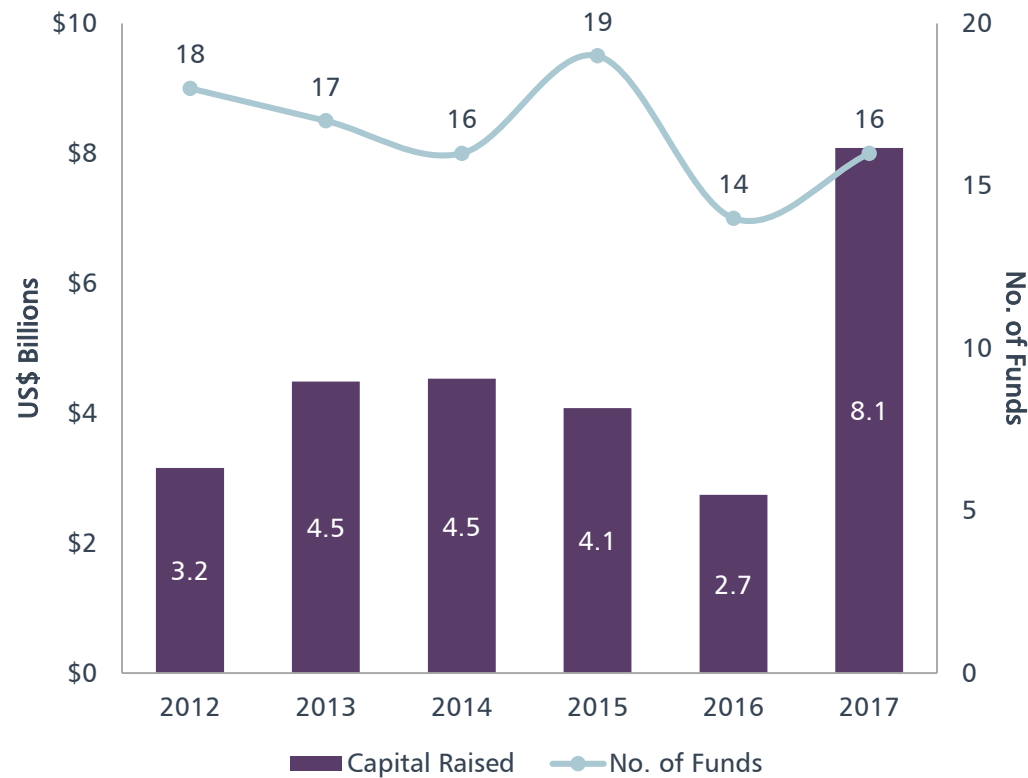


Note: Includes both interim and final closes. Data as of 31 December 2017. Published 20 February 2018.

# Fundraising: Foundations for Growth

Both experienced and new teams are tapping into LP interest in renewable power and other infrastructure opportunities

EM Infrastructure Fundraising, 2012-2017



Data as of 31 December 2017. Published 20 February 2018.

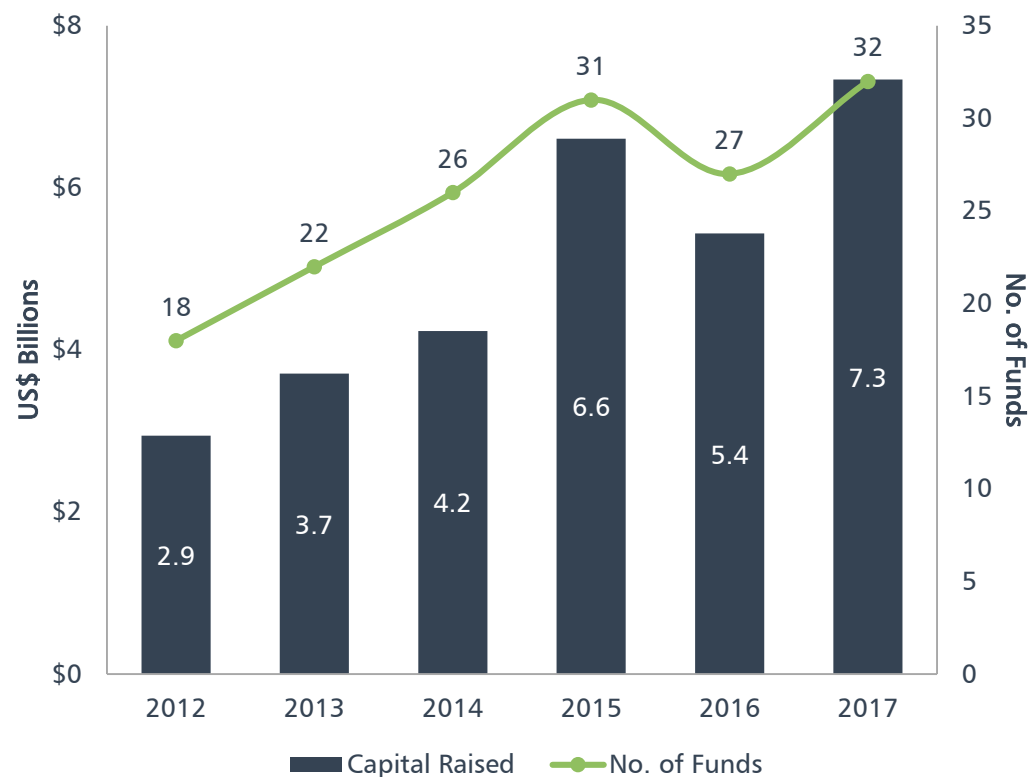
Largest EM Infrastructure Funds with Closes, 2017

Fund Manager(s)	Fund Name	Fund Focus	Geographic Focus	Total Capital Raised to Date (US\$m)
Macquarie Infrastructure and Real Assets (MIRA)	Macquarie Asia Infrastructure Fund II	Multi-Sector	Asia	2,960
Actis	Actis Energy 4	Renewable Power	Asia, Latin America, Sub-Saharan Africa	2,750
A.P. Moller Capital	Africa Infrastructure Fund I	Multi-Sector	Sub-Saharan Africa	650
CGN Private Equity Fund Management	CGN Capital Partners Fund III	Renewable Power	China	563
Riverstone Holdings	Riverstone CKD II (RSRENCK 17)	Renewable Power	Mexico	431
Mexico Infrastructure Partners	EXI 2 CKD (EXI2CK 17)	Multi-Sector	Mexico	297
BlackRock	Blackrock Colombia Infrastructure Debt Fund	Transportation	Colombia	280
Thermion Energy	Thermion Energy Fund CKD (THERMCK 17)	Renewable Power	Mexico	180

# Fundraising: Credit Opportunities in Emerging Asia

Private credit fundraising surpassed all previous years on record in 2017, with capital moving into Emerging Asia at a new scale

EM Private Credit Fundraising, 2012-2017



Largest EM Private Credit Funds with Closes, 2017

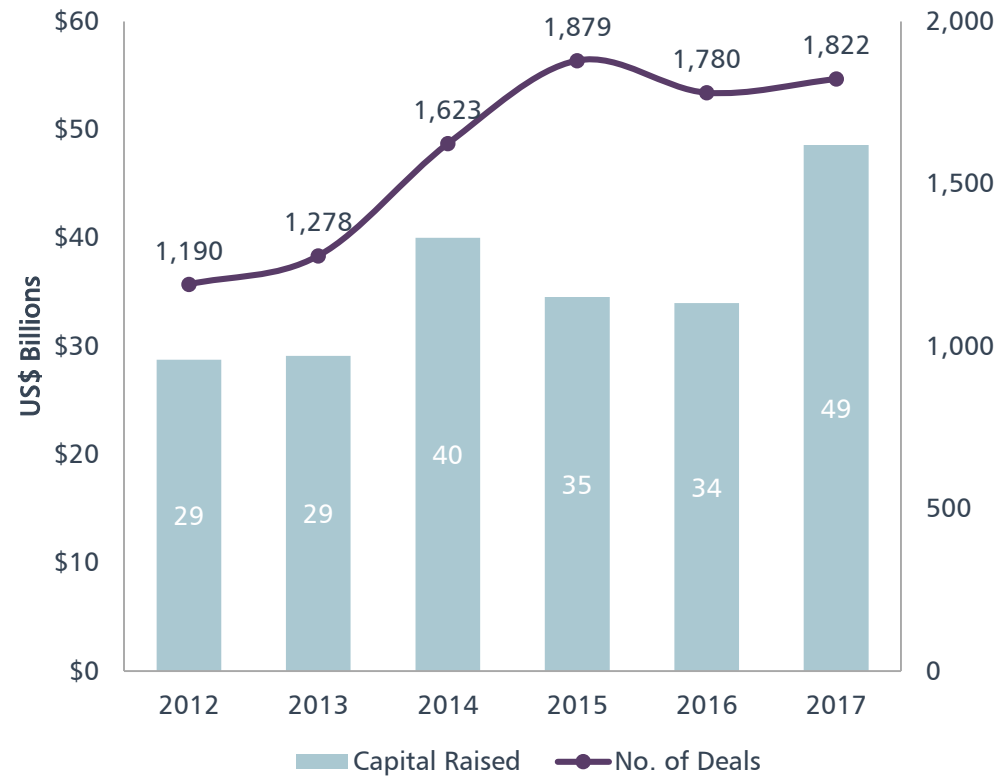
Fund Manager(s)	Fund Name	Fund Type	Geographic Focus	Total Capital Raised to Date (US\$m)
CITIC Private Equity Funds Management	CITIC PE Multi-Strategy Fund	Mezzanine	China	1,980
SSG Capital Management	SSG Capital Partners IV	Special Situations	Asia	1,180
Bain Capital Credit	Bain Capital Special Situations Asia	Special Situations	Asia	856
SSG Capital Management	SSG Secured Lending Opportunities II	Direct Lending	Asia	800
CDH Investments	CDH Mezzanine RMB Fund V	Mezzanine	China	484
Dominus Investment	NV Private Equity Fund III	Mezzanine	Asia	381
Edelweiss Alternative Asset Advisors	Edelweiss Special Opportunities Fund II	Special Situations	India	350
DCL Investments	DCL Investments Fund II	Distressed Debt	China	218

Data as of 31 December 2017. Published 20 February 2018.

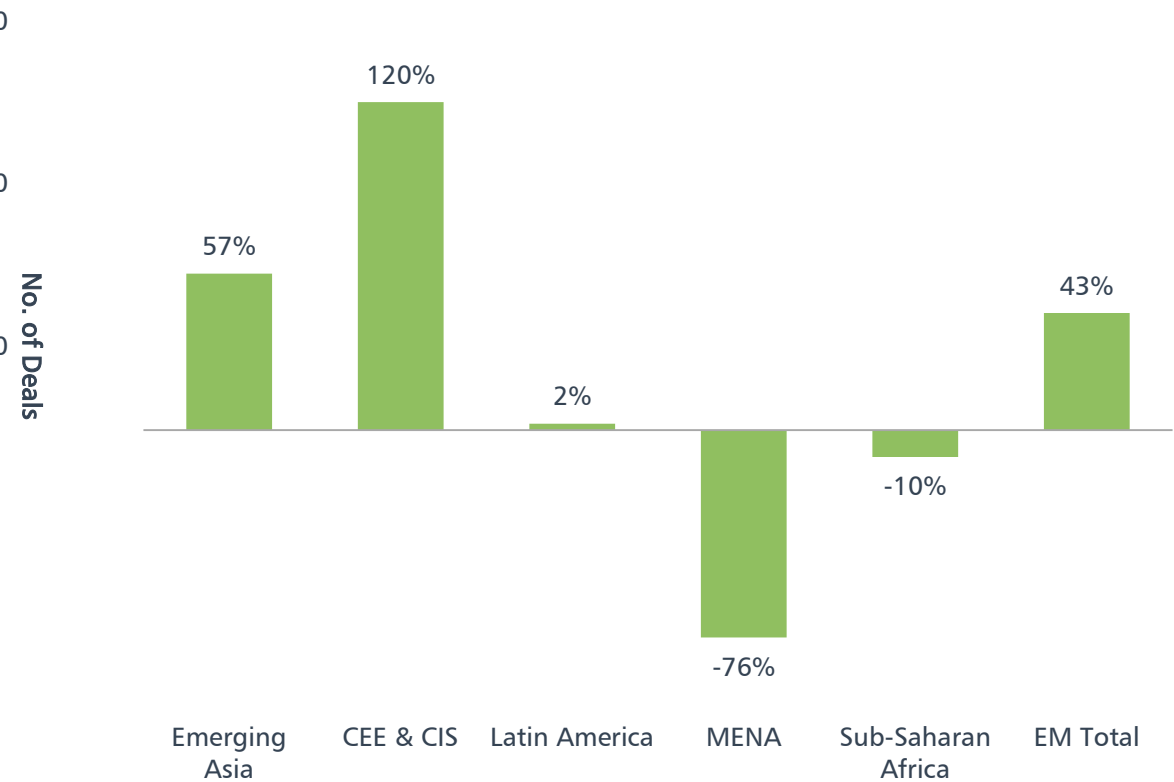
# Investment: Reaching New Heights

Disclosed capital invested in emerging markets reached the highest level on record, but not all regions have recovered from recent economic slowdowns at the same pace

EM Investment, 2012-2017



EM Investment by Region – Year-on-year Percent Change, 2017

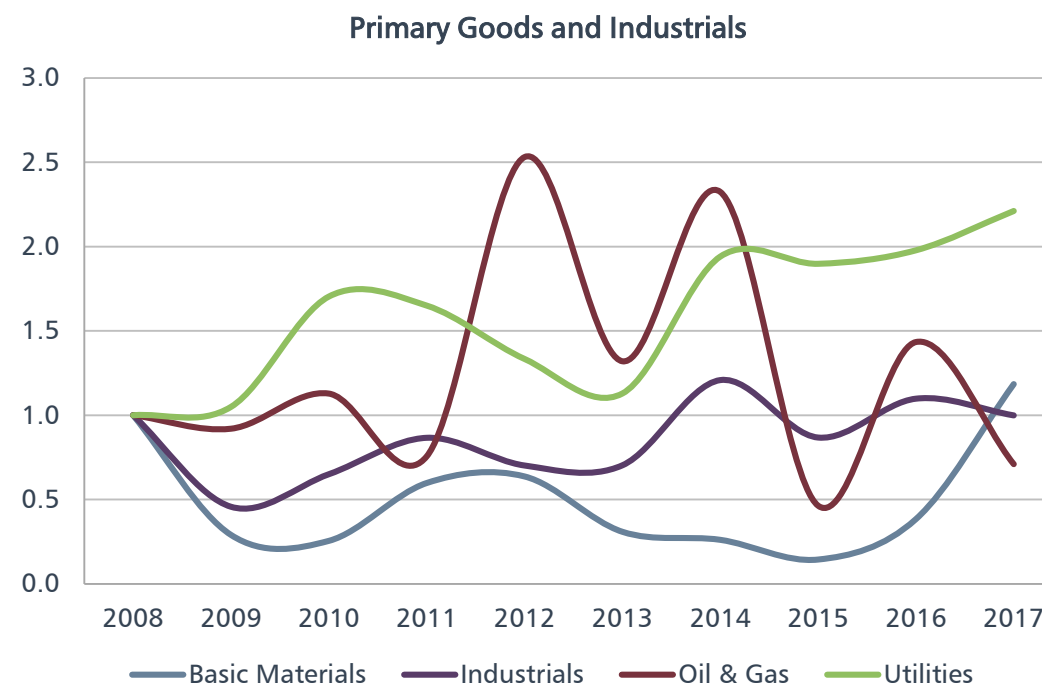
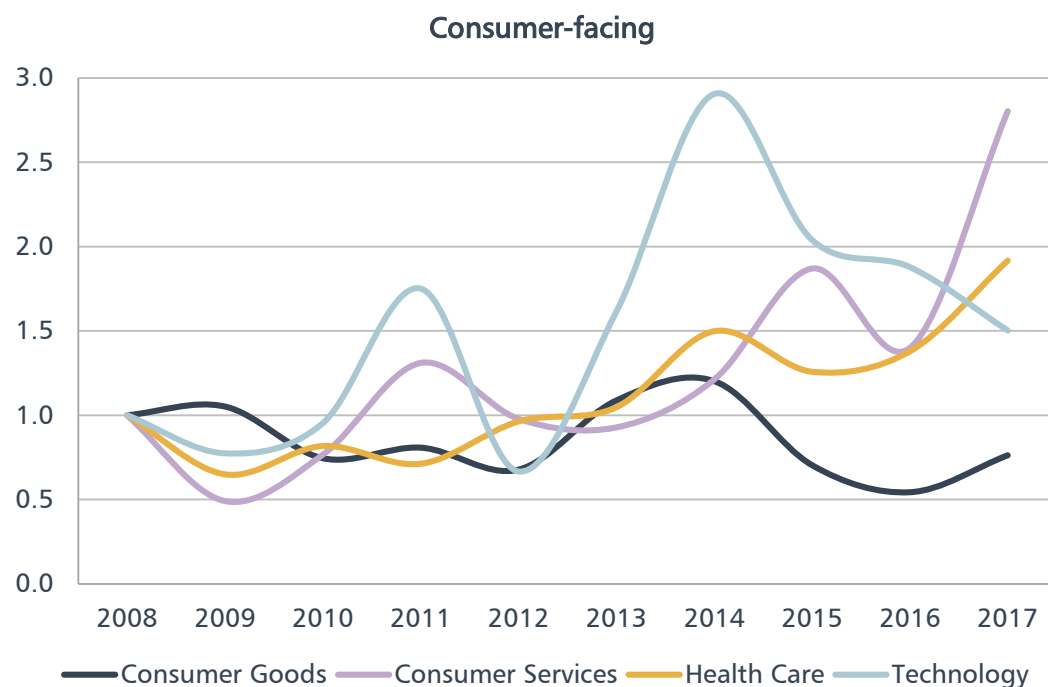


Data as of 31 December 2017. Published 20 February 2018.

# Investment: Consumer Services

Consumer services led all other sectors for investment in 2017 at US\$17.9 billion, nearly triple the 2008 total

EM Investment – Select ICB† Industries, 2008-2017 (Indexed to 2008)



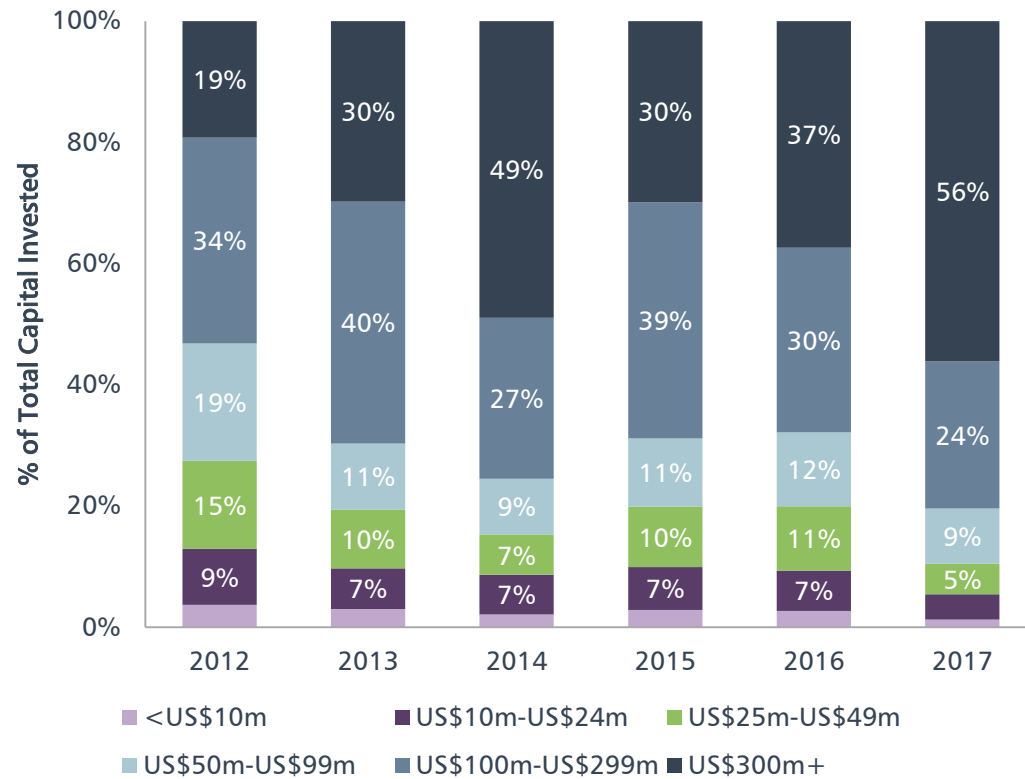
† The Industry Classification Benchmark (“ICB”) is owned by FTSE International Limited (“FTSE”). “FTSE®” is a trademark of the London Stock Exchange Group companies and is used by FTSE under license.

Note: 'Utilities' includes investments in power generation, transmission and distribution. Data as of 31 December 2017. Published 20 February 2018.

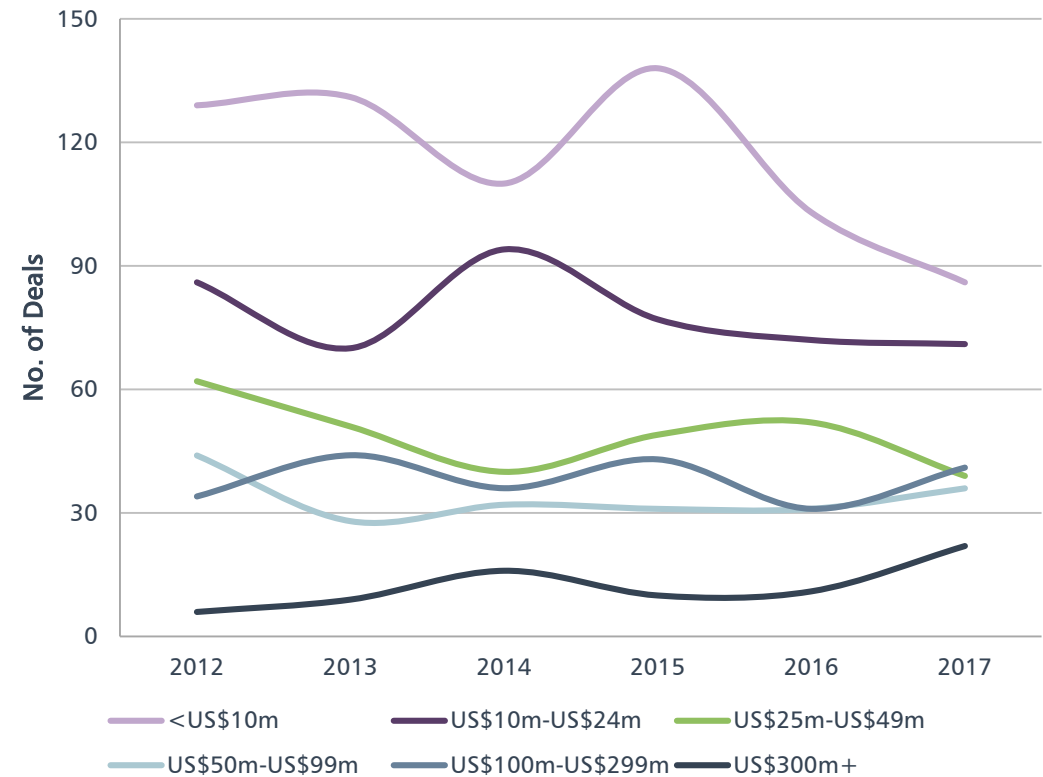
# Investment: Missing Middle?

Large transactions have accounted for a higher share of disclosed capital invested in growth and buyout deals in recent years

EM PE Growth Equity and Buyout Deal Size Distribution, 2012-2017



EM PE Growth Equity and Buyout Transactions by Deal Size, 2012-2017



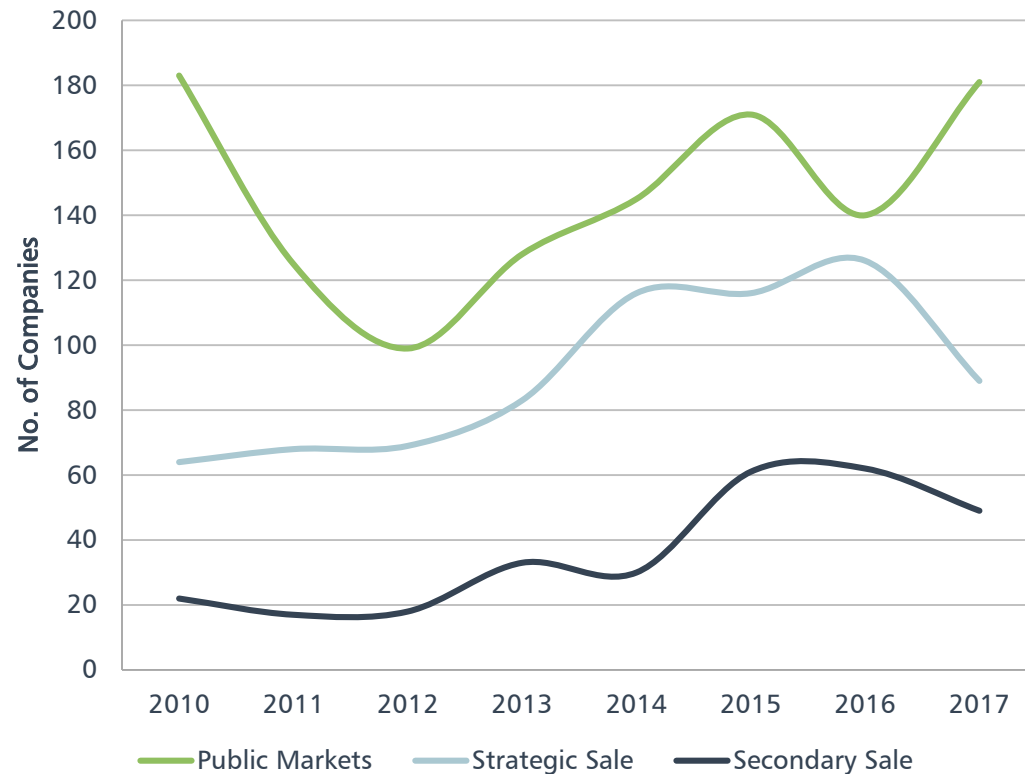
Note: Excludes transactions for which investment amount is not disclosed. Data as of 31 December 2017. Published 20 February 2018.



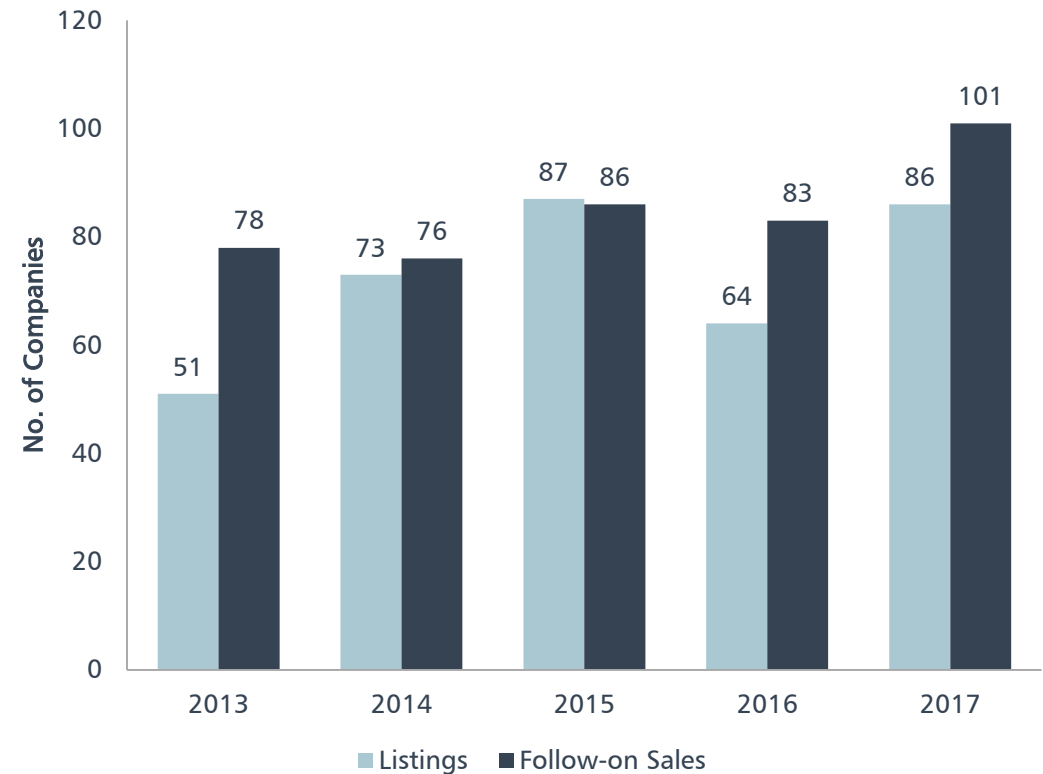
# Exits: Going Public

After a subdued 2016, public market exits rebounded in 2017

Disclosed EM Exits – Select Transaction Types, 2010-2017



EM PE-backed Public Listings and Follow-on Sales, 2013-2017

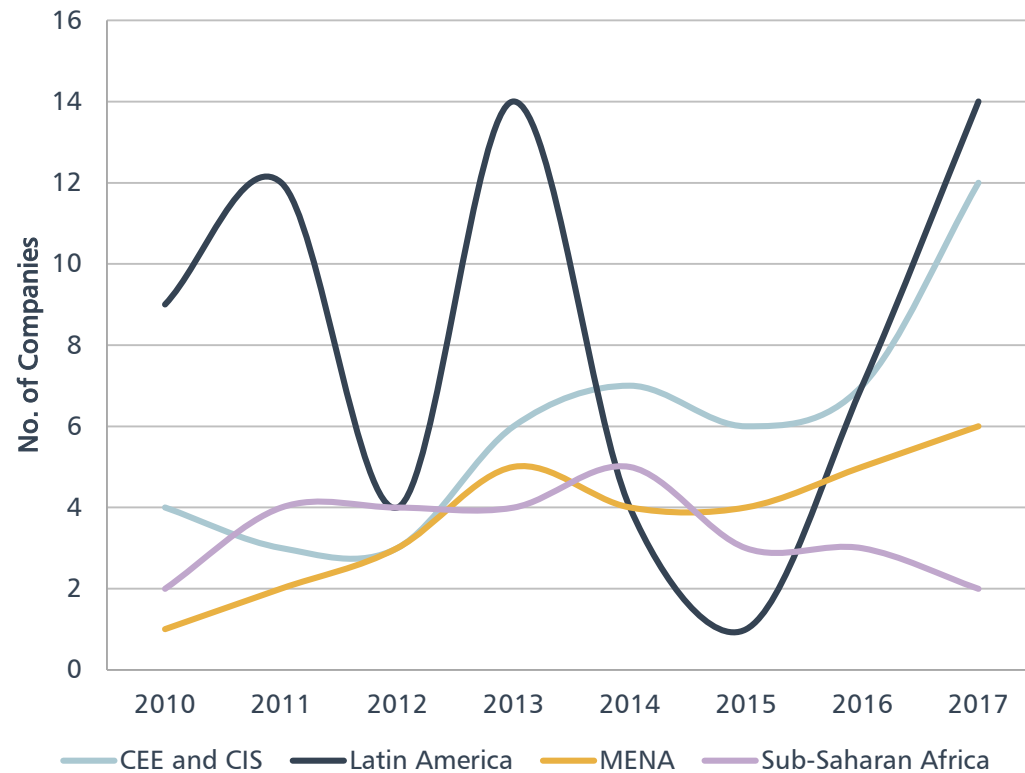


Note: 'Public markets' includes all IPOs, listings without formal offer of shares, back-door listings and follow-on sales. 'Listings' includes all IPOs, listings without formal offer of shares and back-door listings. Data as of 31 December 2017. Published 20 February 2018.

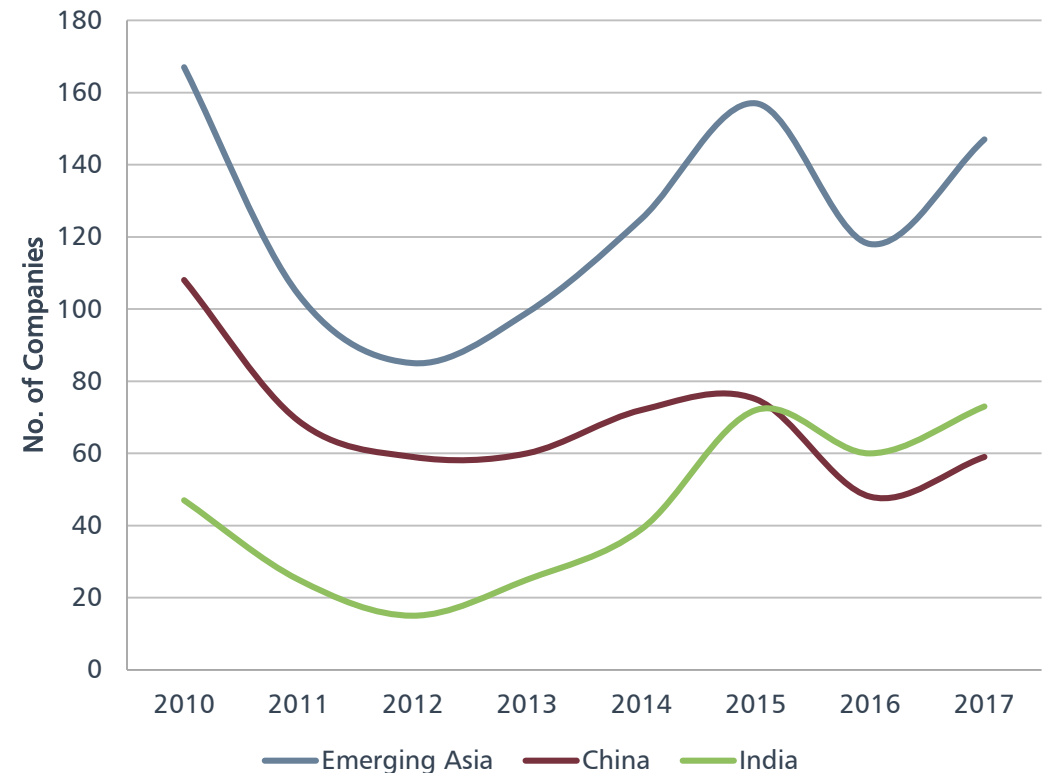
# Exits: Regions in Focus

Latin America and CEE/CIS stand out amid the public market exits revival of 2017

Public Market Exits – Select Regions, 2010-2017



Emerging Asia Public Market Exits, 2010-2017



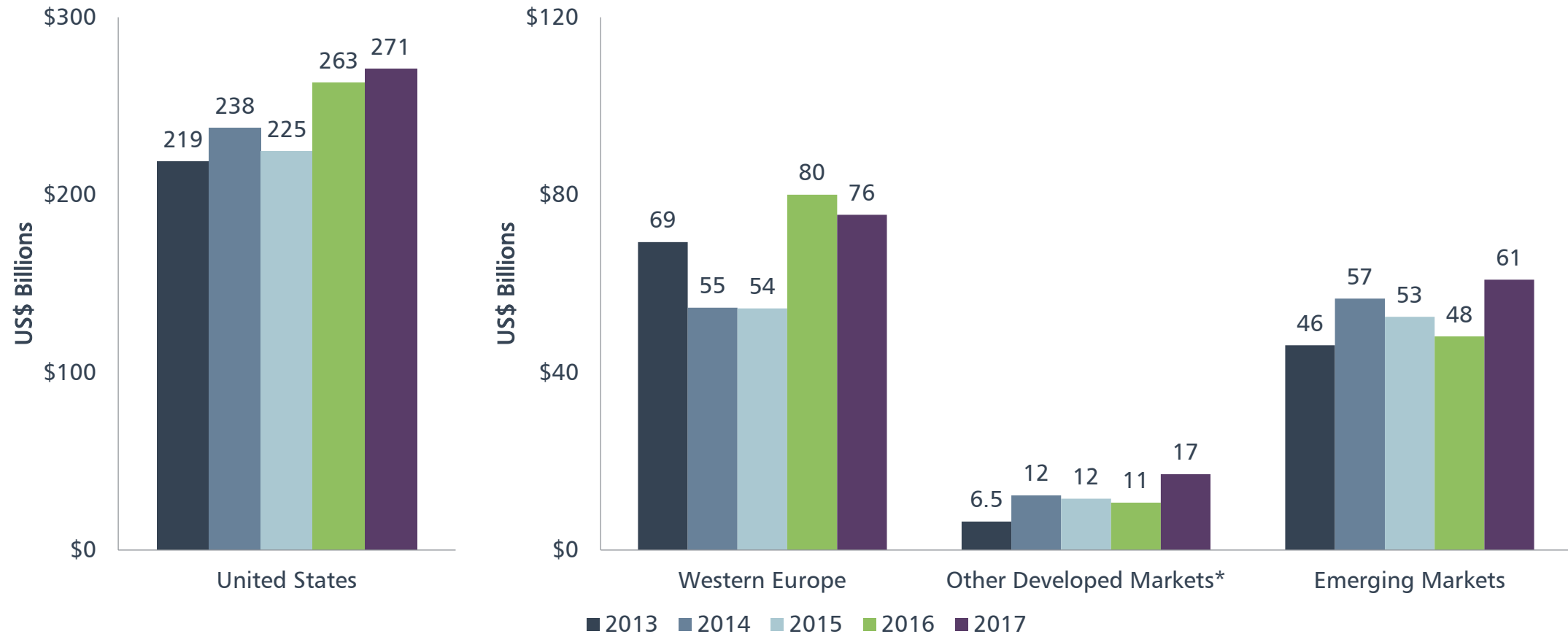
Note: Includes all IPOs, listings without formal offer of shares, back-door listings and follow-on sales. 'Emerging Asia' includes underlying country totals. Data as of 31 December 2017. Published 20 February 2018.

Year-end 2017 Industry Statistics

# Global Private Capital Overview

# Global Fundraising

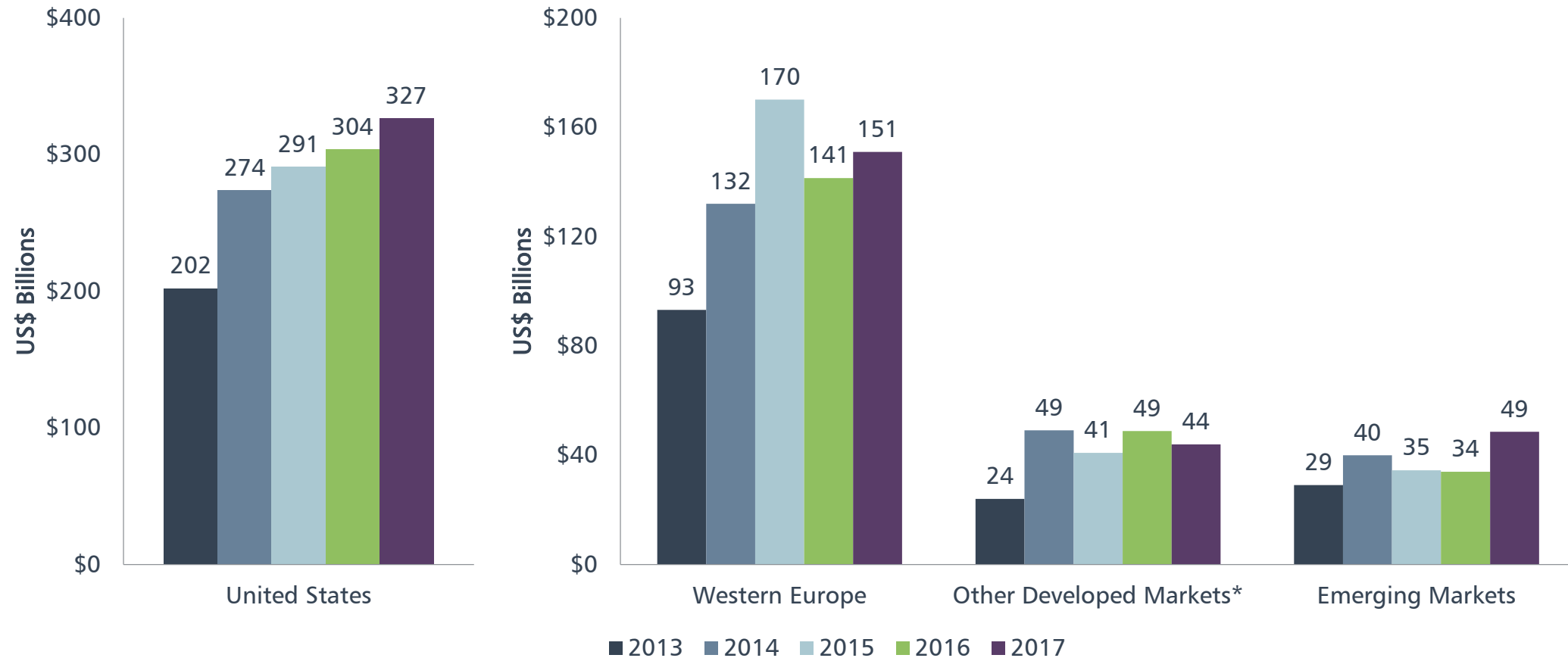
Note: Includes private equity, private credit and private infrastructure and real assets.



\*Includes Australia, Canada, Israel, Japan and New Zealand. Data as of 31 December 2017. Published 20 February 2018. Sources: Developed Markets – PitchBook; EM – EMPEA.

# Global Investment

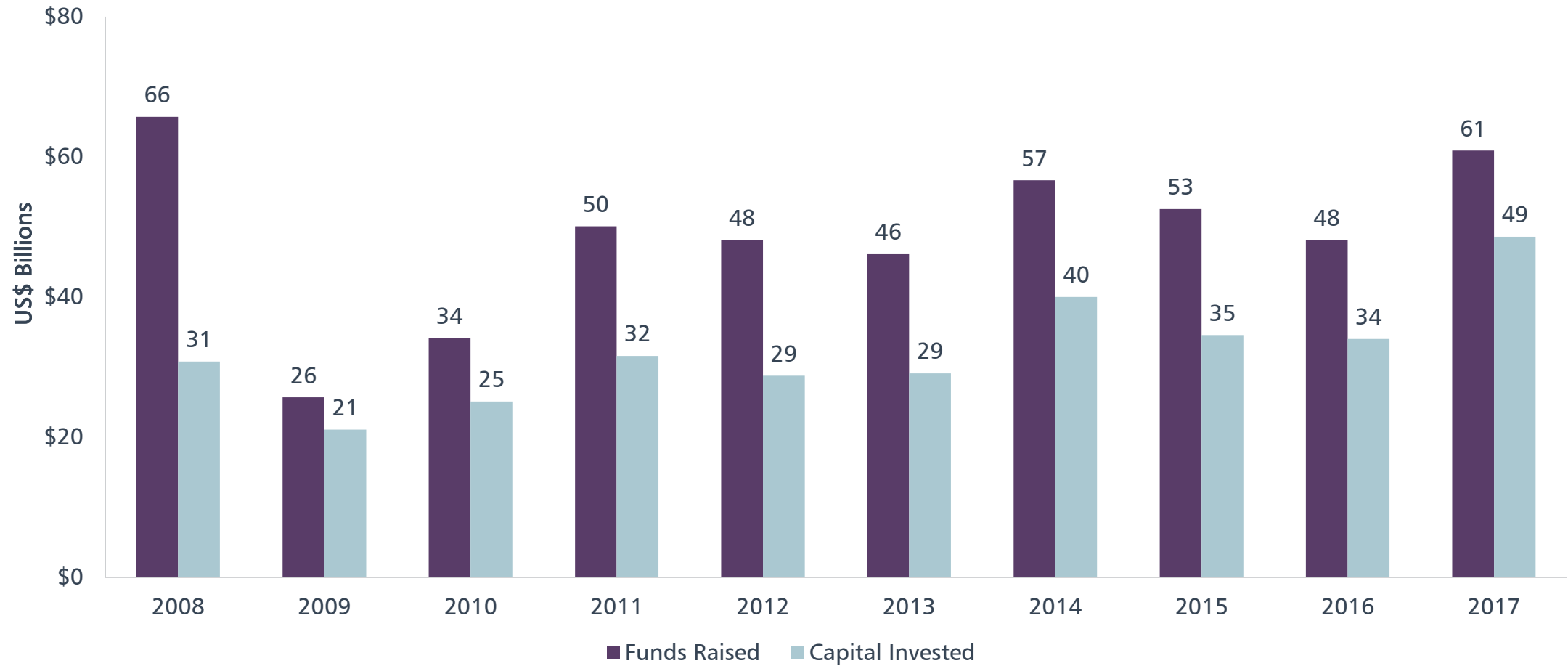
Note: Includes private equity, private credit and private infrastructure and real assets.



\*Includes Australia, Canada, Israel, Japan and New Zealand. Data as of 31 December 2017. Published 20 February 2018. Sources: Developed Markets – PitchBook; EM – EMPEA.

# EM Fundraising & Investment

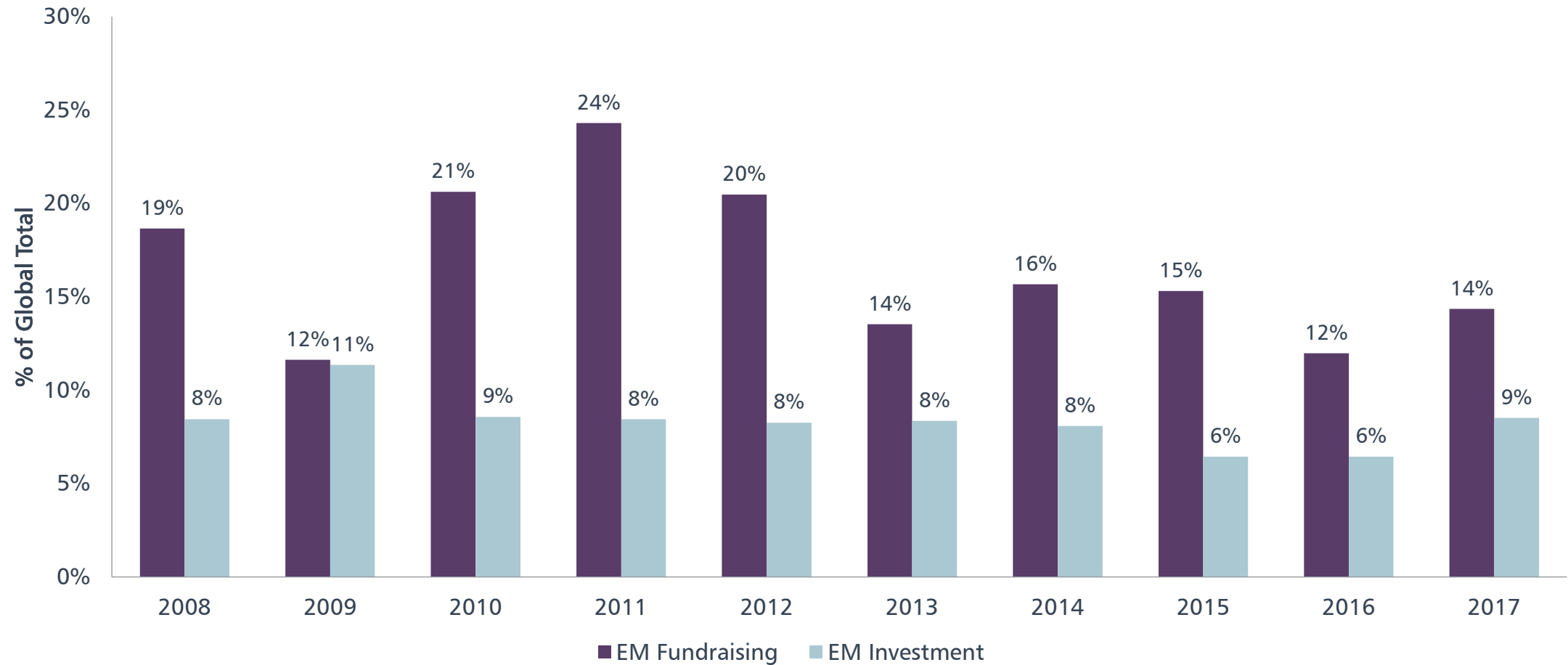
Note: Includes private equity, private credit and private infrastructure and real assets.



Data as of 31 December 2017. Published 20 February 2018.

# EM Fundraising & Investment as % of Global Total

Note: Includes private equity, private credit and private infrastructure and real assets.



Data as of 31 December 2017. Published 20 February 2018.

# Global Private Capital Penetration

Note: Includes private equity, private credit and private infrastructure and real assets.



\*Sub-Saharan Africa. \*\*Middle East & North Africa. Data as of 31 December 2017. Published 20 February 2018. Sources: Developed Markets – PitchBook; EM – EMPEA. All GDP data obtained from IMF World Economic Outlook Database (October 2017).



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