



Industry Statistics Year-End 2018

Emerging Markets Private Capital Fundraising and Investment

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EMPEA is the **global industry association for private capital in emerging markets**. An independent, non-profit organization, the association brings together 300+ firms—including institutional investors, fund managers, and industry advisors—who manage more than USD5 trillion in assets across 130 countries. EMPEA members share the organization’s belief that private capital can deliver attractive long-term investment returns and promote the sustainable growth of companies and economies. EMPEA supports its members globally through **authoritative research and intelligence, conferences, networking, education, and advocacy**.

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Announcements & Acknowledgements

Update to Methodology

Standard EMPEA investment reporting now includes expanded coverage of direct secondary transactions, including investments for both minority and majority stakes on either a single-asset or a portfolio basis, but excluding purchases of LP stakes and fund restructurings. In addition, 'Sub-Saharan Africa' and 'MENA' have been replaced with 'Africa' and 'Middle East' as top-level regions in EMPEA's geographic classification system. Private capital activity in North Africa will henceforth be included in Africa regional totals in standard EMPEA data releases and reports. 'MENA' totals can be produced for members upon request.

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 have been consulted during the compilation of the current and past editions 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;
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 - 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 or call +1 202 524 6113.

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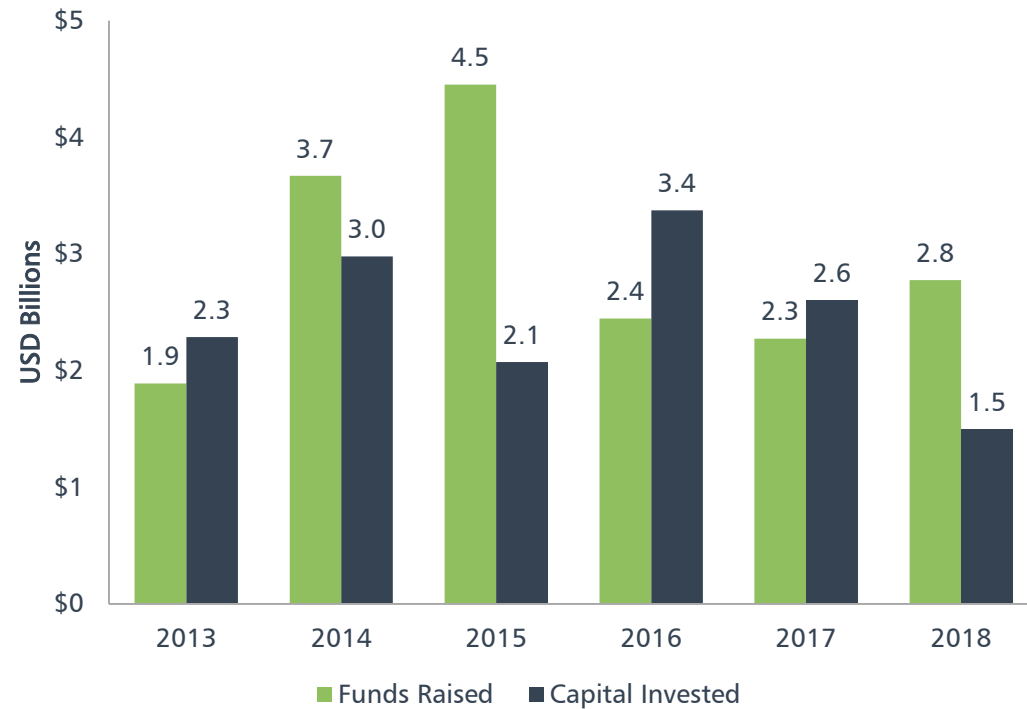
- **Highlights from the YE 2018 Industry Statistics**
 - Africa: More Capital Raised, but Divergent Deal Trends
 - Emerging Asia: New Highs Across the Region
 - China: Global Investors Continue to Build Exposure
 - India: Buyouts Increasingly Prevalent, Largest-Ever Private Credit Fund
 - CEE and CIS: Another Mega Deal, Ukraine/CIS Revival Continues
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YE 2018 Industry Statistics | Emerging Markets Private Capital
Highlights

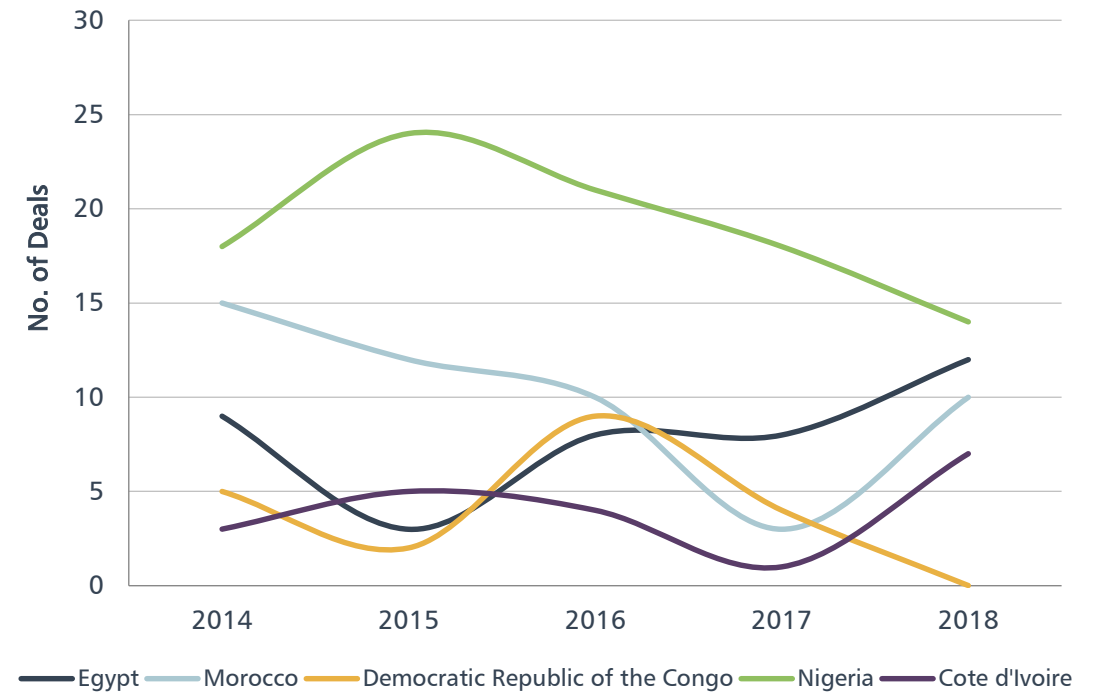
Africa: More Capital Raised, but Divergent Deal Trends

Capital raised for Africa-focused funds increased to USD2.8 billion in 2018, with Emerging Capital Partners' fourth fund garnering USD640 million in commitments

Africa Fundraising and Investment, 2013-2018



Africa Investment in Select Countries, 2014-2018



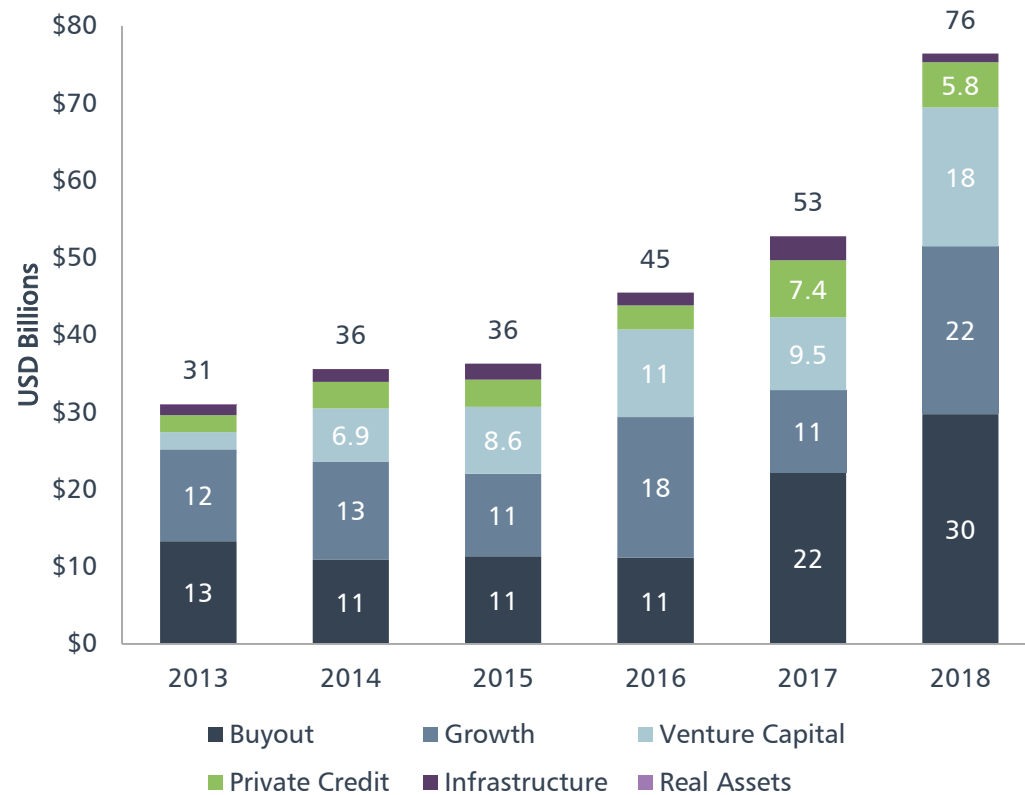
However, disclosed capital deployed by funds in African markets continued to decline, with key country differences in transaction activity; the number of deals completed climbed in North Africa and Francophone West Africa while continuing to fall in Nigeria

Data as of 31 December 2018. Published 25 February 2019.

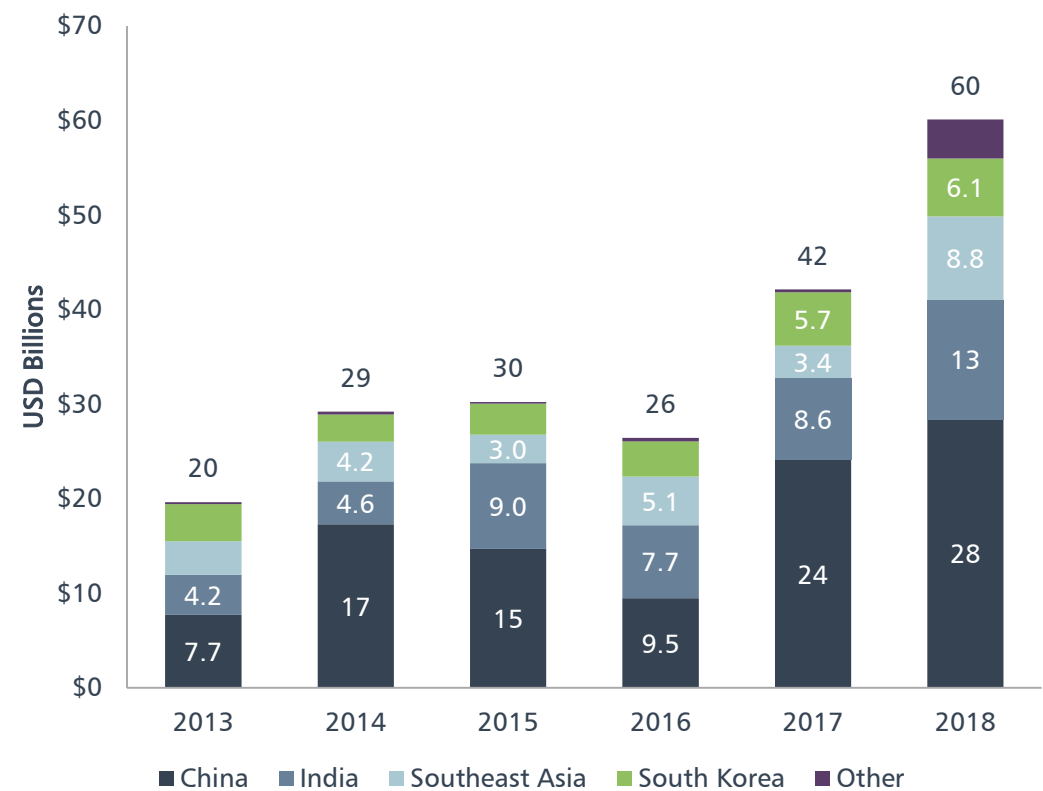
Asia: New Highs Across the Region

Funds raised and capital invested in Emerging Asia increased by 45% and 43%, respectively, year over year; both large-cap buyout funds and venture capital investors have grown increasingly active not only in China, but across the region

Emerging Asia Fundraising by Strategy, 2013-2018



Emerging Asia Investment by Geographic Destination, 2013-2018

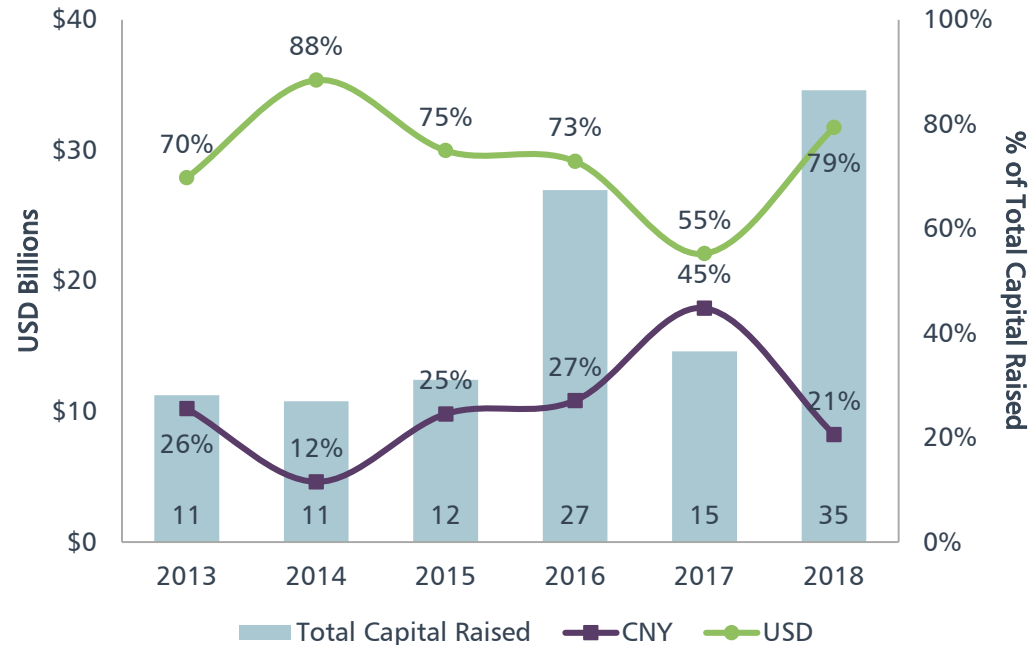


Data as of 31 December 2018. Published 25 February 2019.

China: Global Investors Continue to Build Exposure

International investors are seeking exposure to consumer-facing sectors in China at unprecedented levels

China Fundraising, 2013-2018



Capital raised for the country reached USD35 billion due to strong support for offshore USD-denominated growth and venture funds; in contrast, fundraising for (non-government) RMB-denominated China funds has plateaued at approximately USD7 billion in each of the last three years

Data as of 31 December 2018. Published 25 February 2019.

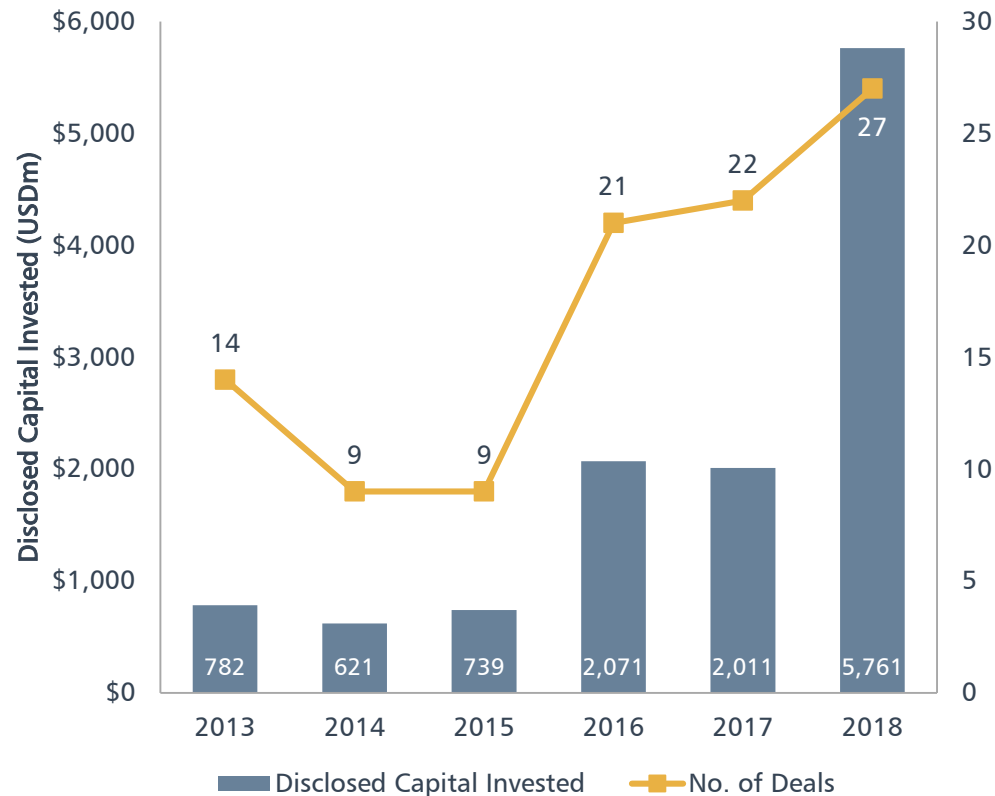
Largest Disclosed Consumer Discretionary Investments in China, 2018

Fund Manager(s)	Company	ICB Subsector	Investment Type	Investment Amount (USDm)
KKR, General Atlantic	Bytedance (Toutiao)	Publishing	Growth	3,000
Primavera Capital Management, Morningside Ventures	XPENG Motors	Automobiles	Venture Capital	587
Primavera Capital Management, ClearVue Partners, Morningside Ventures	Souche Holdings	Specialty Retailers	Growth	578
Affinity Equity Partners	Trimco	Clothing & Accessories	Secondary Buyout	520
Coatue Management, Sequoia Capital, Yunfeng Capital	Beijing Dami Technology (VipKid)	Education Services	Venture Capital	500
Hony Capital	Li & Fung Furniture, Beauty and Sweater Product Verticals	Household Furnishings	Buyout	495
Matrix Partners, BlueRun Ventures, Future Capital (FutureCap), Source Code Capital	Beijing Chehejia Technology (CHJ Automotive)	Automobiles	Venture Capital	475
The Carlyle Group, China International Capital (CICC Private Equity), Joy Capital (Yuyue Capital), Qiming Venture Partners, Sequoia Capital, Welkin Capital	Lantu Information Technology (Tuhu Yangche)	Consumer Services: Misc.	Growth	450

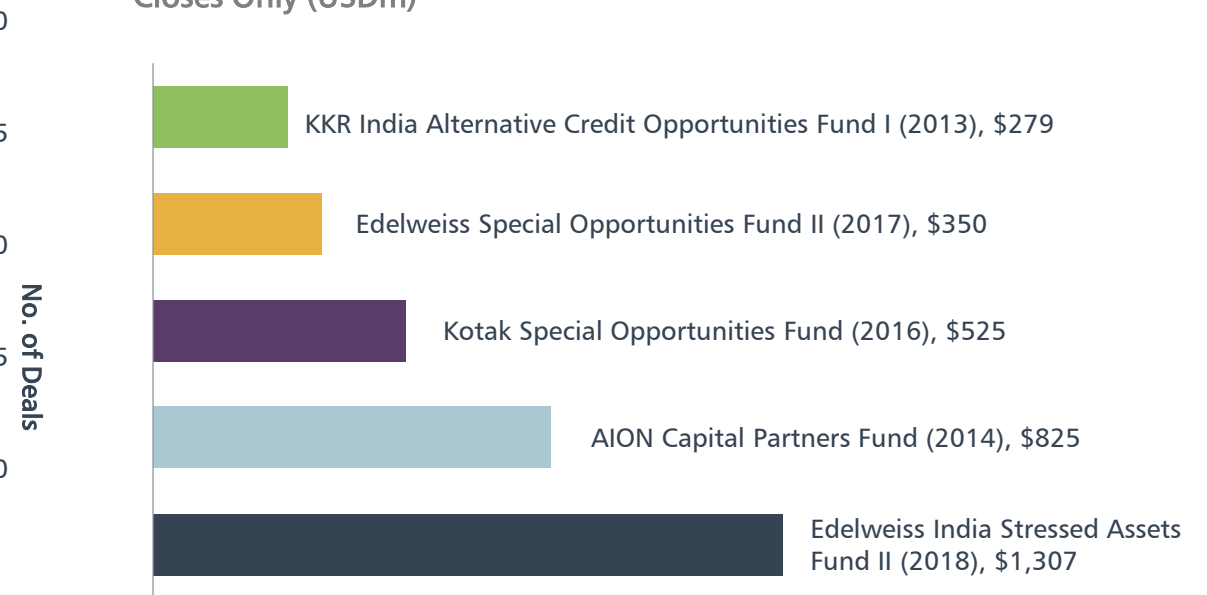
India: Buyouts Increasingly Prevalent, Largest-Ever Private Credit Fund

Continued growth of buyout activity in India contributed to disclosed capital invested overall in the country reaching USD12.6 billion in 2018, the highest level on record

India Buyouts, 2013-2018



Largest India-focused Private Credit Funds Raised, 2006-2018 – Final Closes Only (USDm)



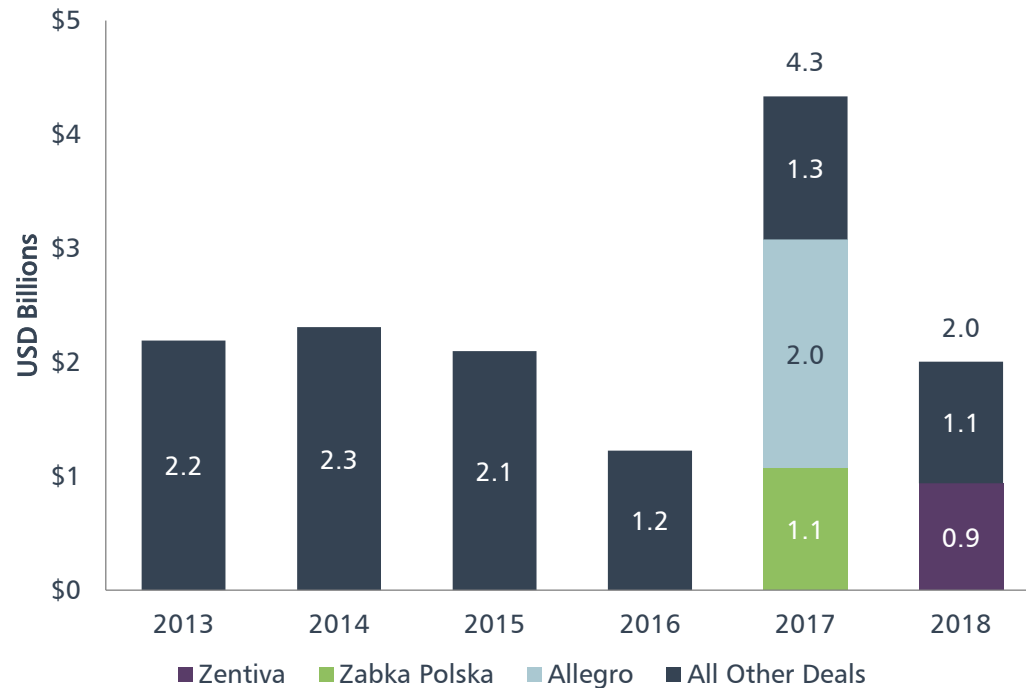
Control-oriented strategies have also gained ground in the private credit space; Edelweiss' EISAF II, which will target turnaround and restructuring opportunities, represents the largest India-focused private credit fund on record at EMPEA

Note: Includes both primary and secondary buyouts. EISAF II fundraising total includes both onshore and offshore components. Data as of 31 December 2018. Published 25 February 2019.

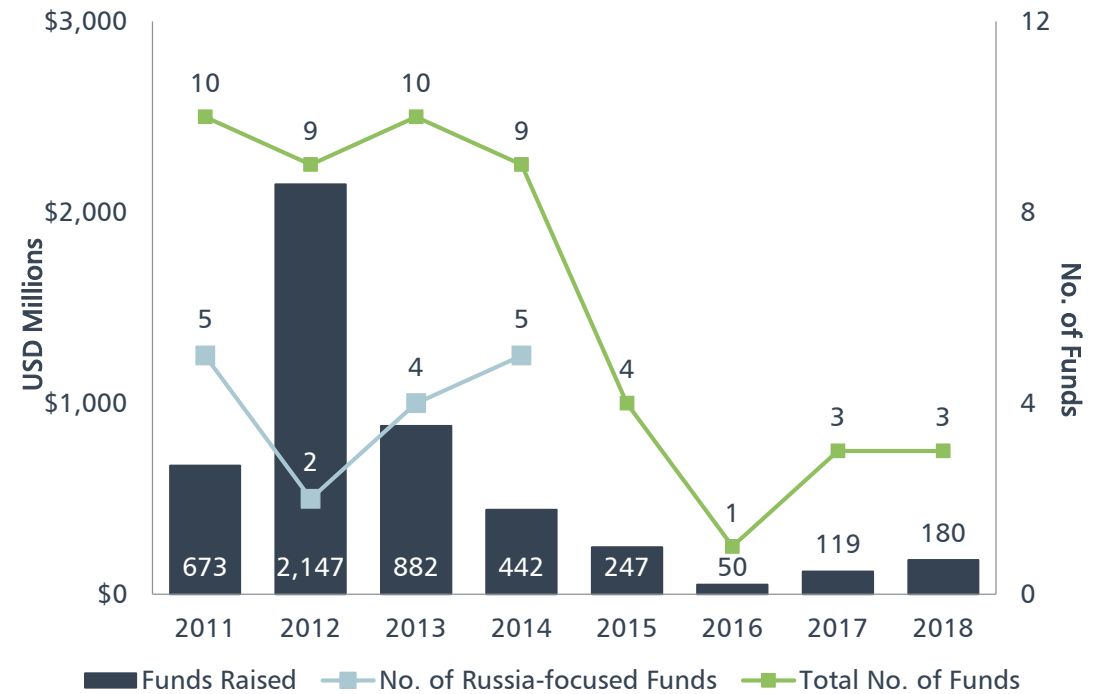
CEE & CIS: Another Mega Deal, Ukraine/CIS Revival Continues

Though disclosed capital invested in the region overall fell in 2018, Advent International's EUR810 million equity commitment in support of the acquisition of Zentiva is one more in a string of large buyouts in CEE and CIS

Disclosed Capital Invested in CEE and CIS, 2013-2018



Fundraising for CIS-focused Private Capital Vehicles, 2011-2018



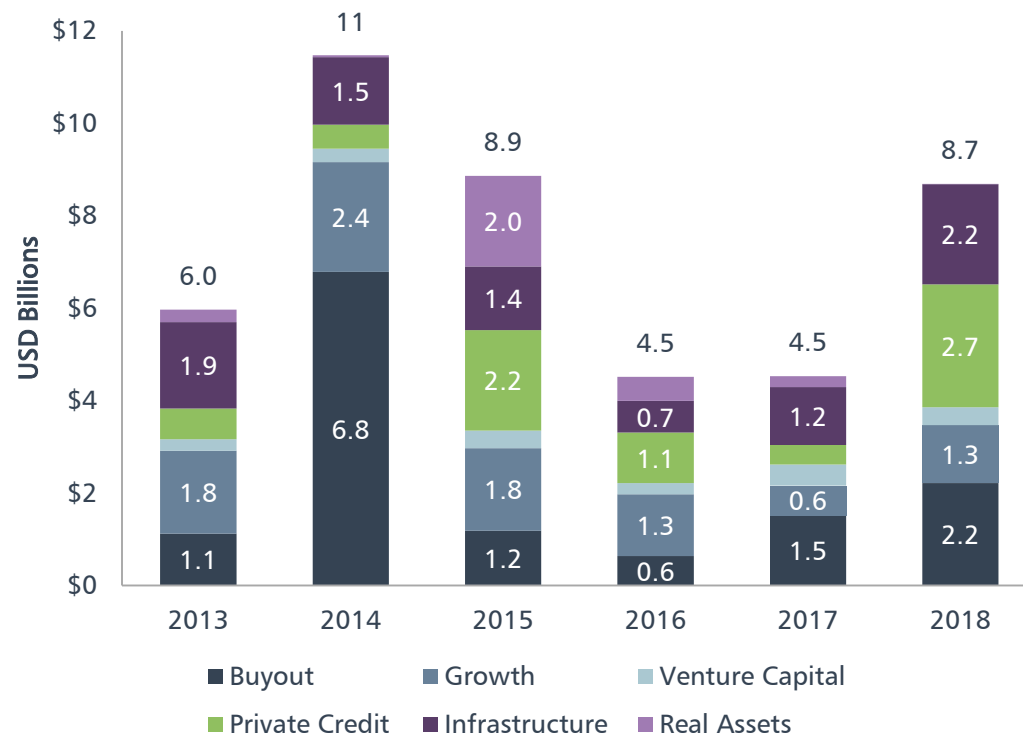
Beyond Central Europe, a final close for Horizon Capital's third fund has continued a revival in interest in the CIS since the nadir of 2016; however, Russia has been absent from investors' plans

Data as of 31 December 2018. Published 25 February 2019.

Latin America: Strategies in Focus

Fundraising for Latin America-focused private capital vehicles reached USD8.7 billion in 2018

Latin America Fundraising by Strategy, 2013-2018



Managers active in the region are putting capital to work across a variety of different strategies, with infrastructure, venture capital and private credit especially prominent among the past year's largest deals

Data as of 31 December 2018. Published 25 February 2019.

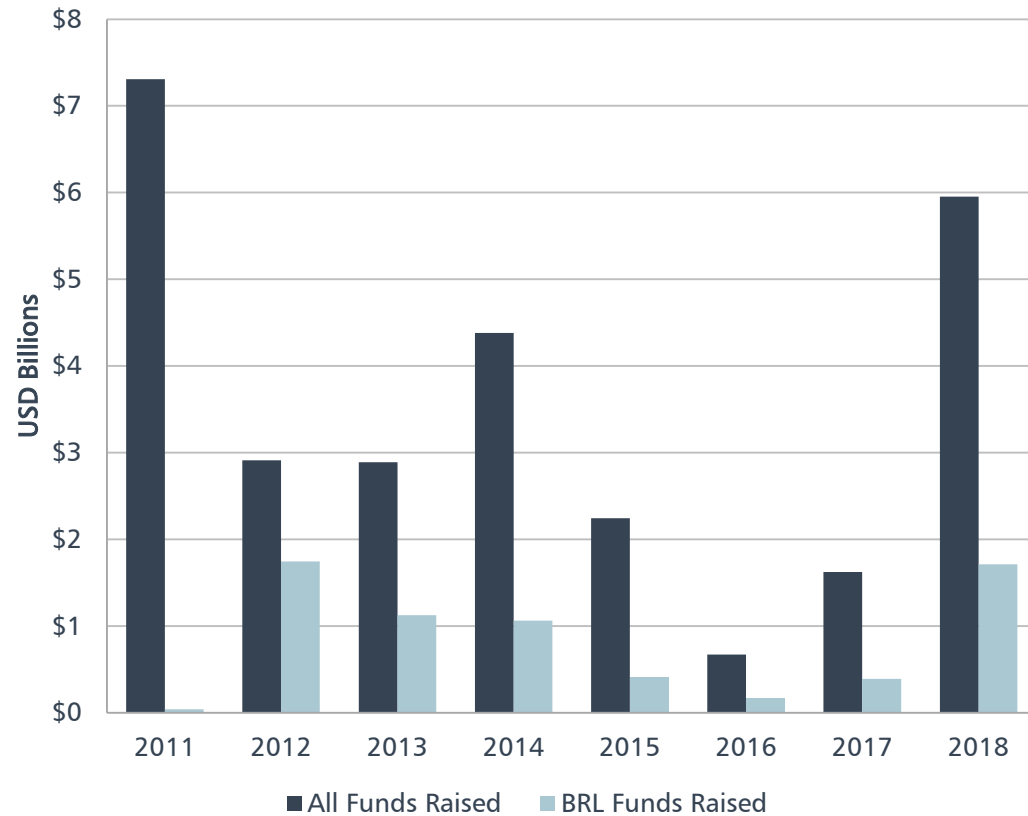
Largest Disclosed Investments in Latin America, 2018

Fund Manager(s)	Company	Country	Primary Sector	Investment Type	Investment Amount (USDm)
I Squared Capital	IC Power Latin America	Regional	Electricity	Buyout	510
Advent International	Walmart Brasil	Brazil	Retailers	Buyout	506
Actis	Saavi Energia	Mexico	Electricity	Buyout	396
DST Global, Andreessen Horowitz, Sequoia Capital	Rappi	Colombia	Software & Computer Services	Venture Capital	200
Lone Star Funds	Atvos	Brazil	Renewable Energy	Debt	200
Advent International	Enjoy	Chile	Travel & Leisure	PIPE	170
Goldman Sachs Merchant Banking Division (MBD), Victoria Capital Partners	Oncoclinicas do Brasil Servicos Medicos	Brazil	Health Care Providers	Buyout	151
DST Global, <i>et al</i>	Nubank	Brazil	Banks	Venture Capital	150
I Squared Capital	IC Power Latin America	Regional	Electricity	Growth	142
EIG Global Energy Partners	Prumo Logistica Global	Brazil	Industrial Transportation	Buyout	139

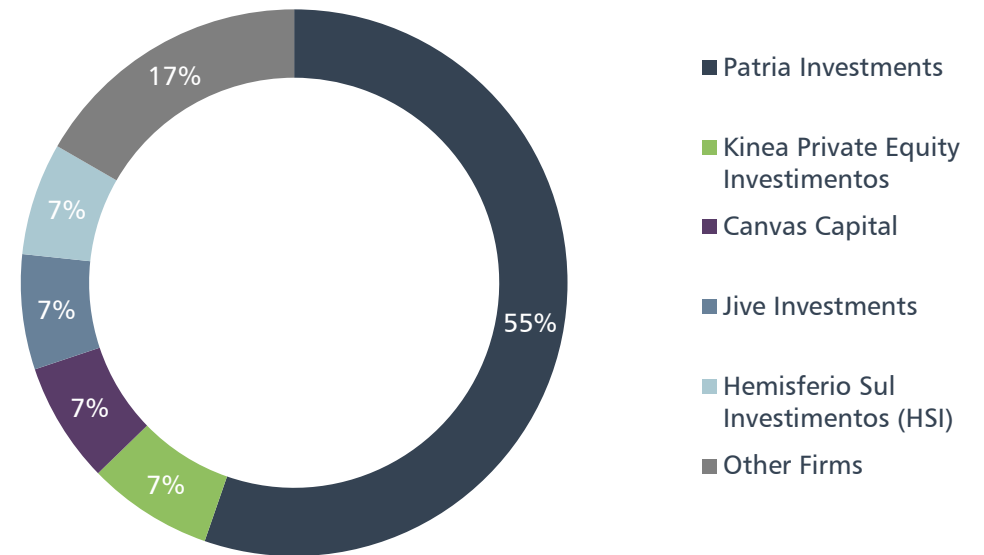
Brazil: Back on the Map

In the midst of political transition and economic recovery, GPs raised USD6 billion for Brazil-focused private capital vehicles in 2018

Brazil Fundraising, 2013-2018



Brazil Fundraising by Firm, 2018



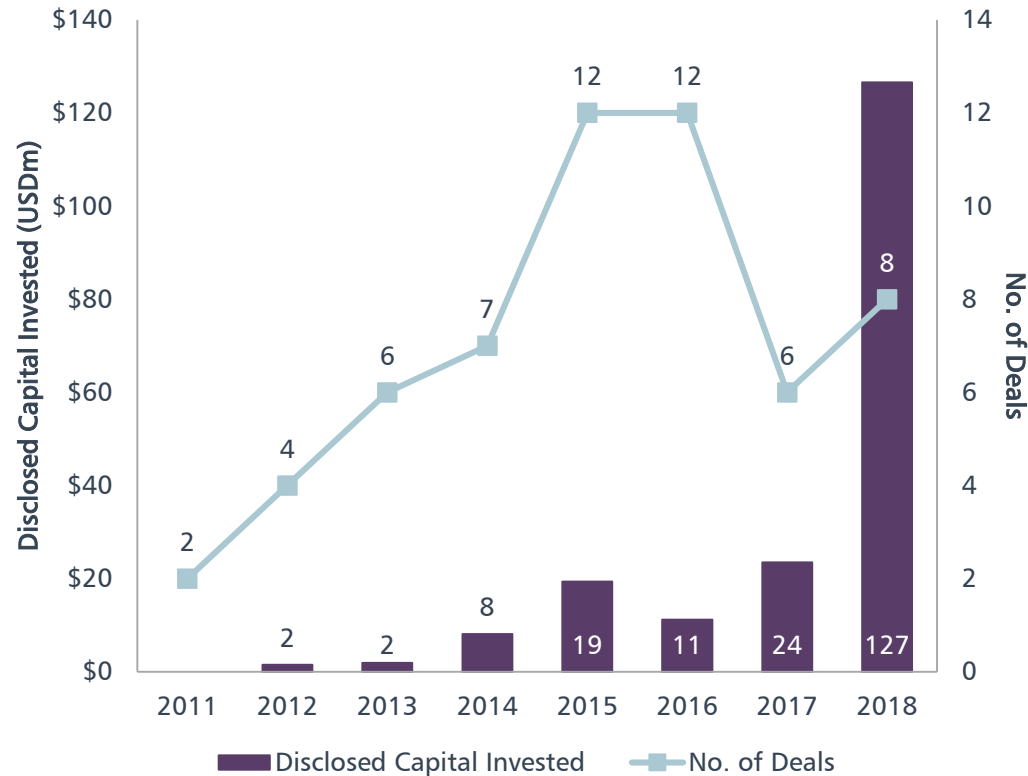
While Patria Investments' offshore buyout, credit, and infrastructure funds accounted for over half of the total, local funds also found success; BRL fundraising reached its highest level since 2012

Data as of 31 December 2018. Published 25 February 2019.

Middle East: New Tech Opportunities

Investor interest in software & computer services continues to build, with General Atlantic's November 2018 USD120 million investment in UAE-based PropertyFinder representing the largest pure-play software investment in the region on record at EMPEA

Middle East Software & Computer Services Investment, 2011-2018



Largest Disclosed Middle East Software & Computer Services Investments, 2011-2018

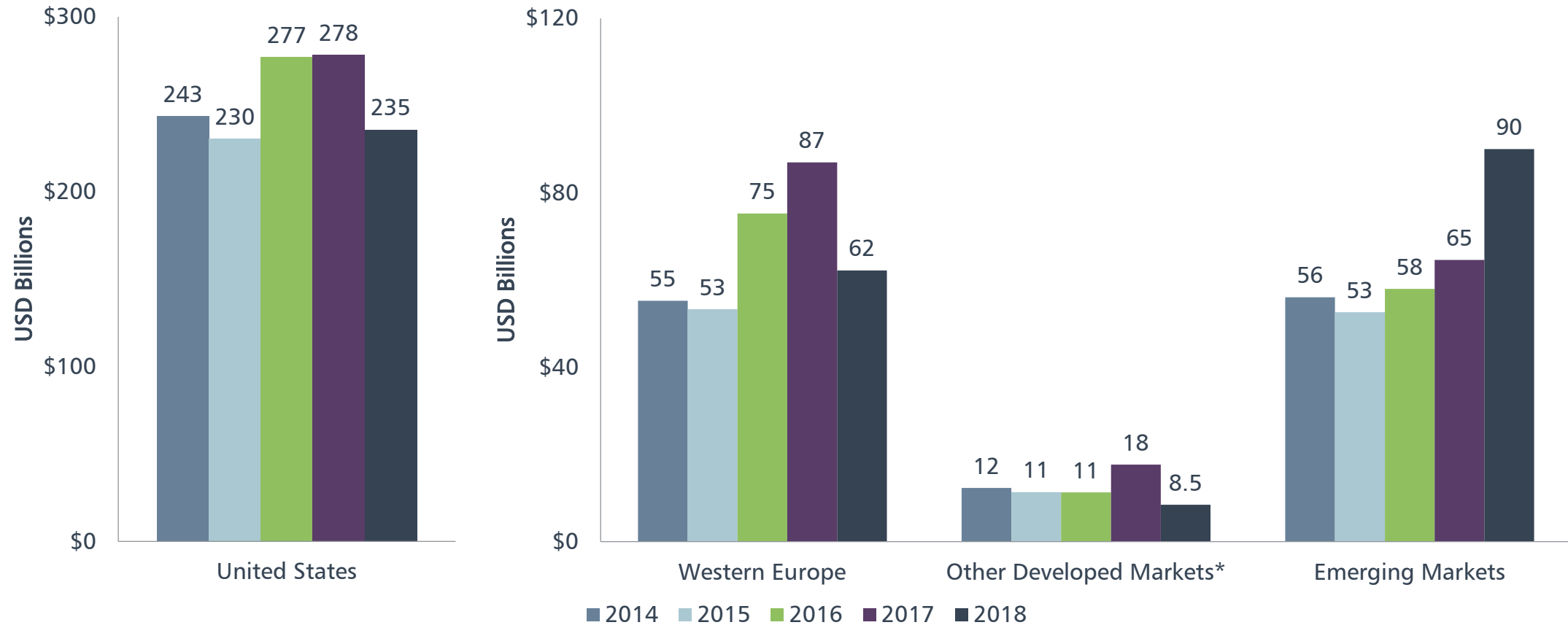
Fund Manager(s)	Company	Country	Investment Amount (USDm)	Investment Date
General Atlantic	PropertyFinder	UAE	120	Nov-18
Middle East Venture Partners (MEVP), Lumia Capital	Shedul.com	UAE	6.0	Jun-17
Silicon Badia	Bayzat	UAE	5.0	Dec-17
Silicon Badia, Wamda Capital	ArabiaWeather	Jordan	5.0	Nov-15
Leap Ventures, B&Y Venture Partners	Myki	Lebanon	4.0	Sep-18
Riyad Capital, 500 Startups	Foodics	Saudi Arabia	4.0	Sep-17
Siraj Fund Management Company (SFMC)	AppMahal	Palestinian Territory	4.0	Aug-17
Silicon Badia, 500 Startups	ReserveOut	UAE	4.0	May-16
Wamda Capital	yallacompare	UAE	3.5	May-17
Silicon Badia, 500 Startups, Wamda Capital	ShopGo	UAE	3.2	Aug-15
AddVenture	MoveSouq	UAE	3.0	Sep-16
Wamda Capital	yallacompare	UAE	3.0	Sep-15
Middle East Venture Partners (MEVP)	Mobinets	Lebanon	3.0	Oct-14
Wamda Capital	yallacompare	UAE	2.4	Sep-16
Silicon Badia	ArabiaWeather	Jordan	2.1	Dec-14

Data as of 31 December 2018. Published 25 February 2019.

YE 2018 Industry Statistics | Emerging Markets Private Capital
Global Private Capital Overview

Global Fundraising

Global Private Capital Fundraising by Geographic Focus, 2014-2018

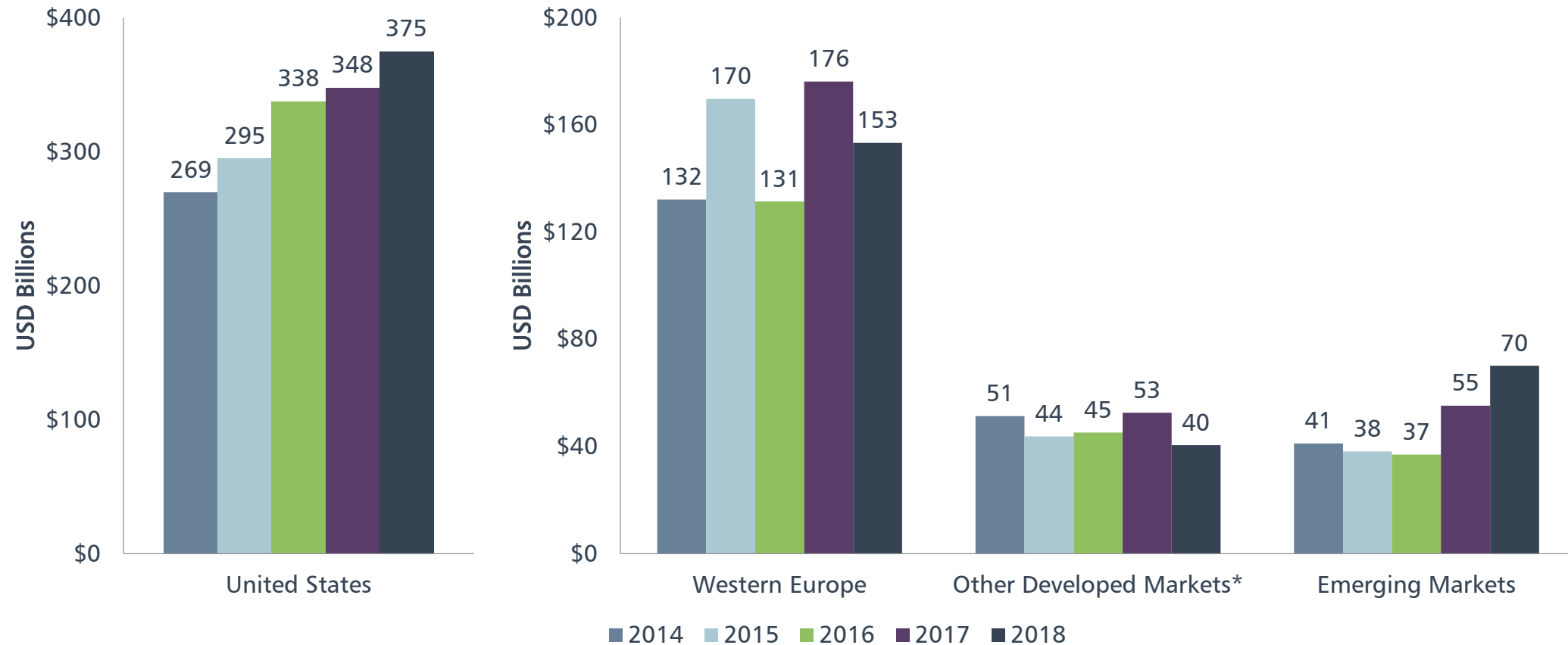


* Includes Australia, Canada, Israel, Japan and New Zealand.

Note: Global data includes private equity and venture capital, private credit, and private infrastructure and real assets. Data as of 31 December 2018. Published 25 February 2019.

Global Investment

Global Private Capital Investment by Geographic Destination, 2014-2018

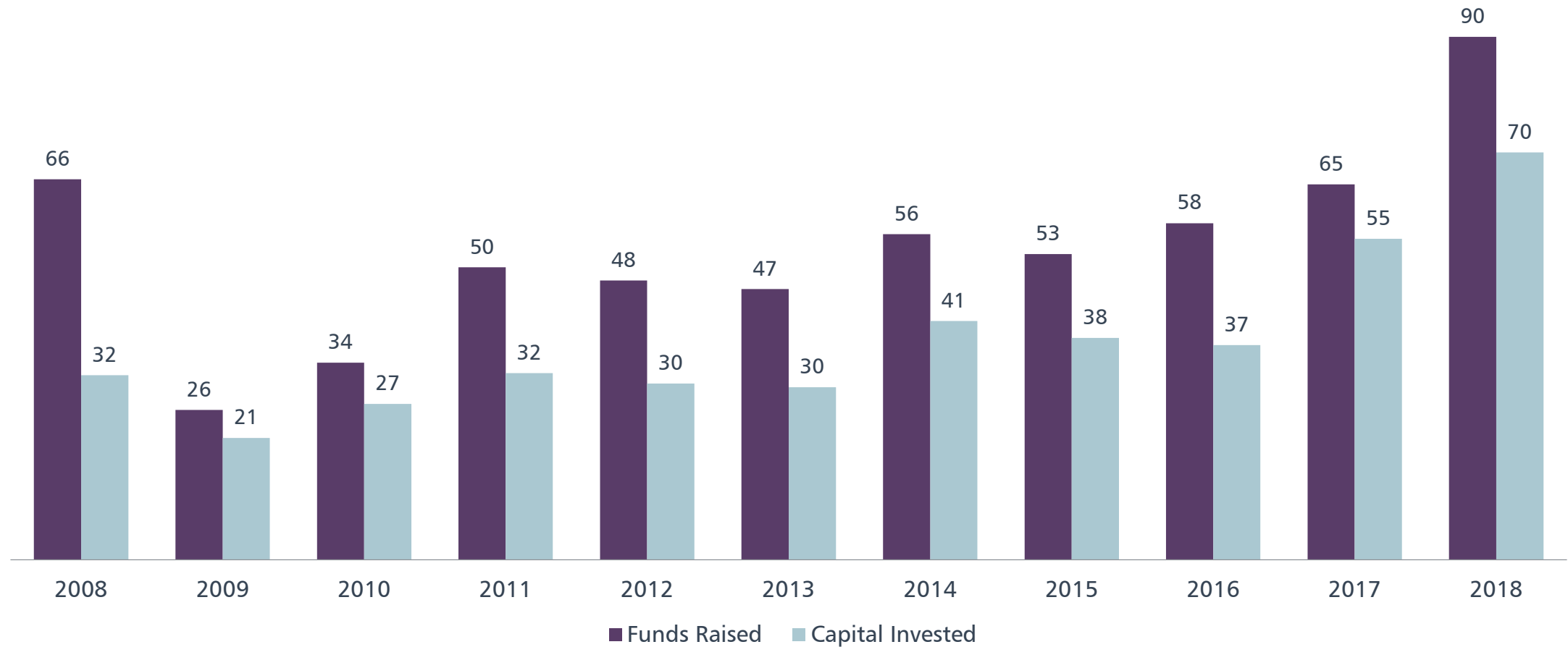


* Includes Australia, Canada, Israel, Japan and New Zealand.

Note: Global data includes private equity and venture capital, private credit, and private infrastructure and real assets. Data as of 31 December 2018. Published 25 February 2019.

EM Fundraising & Investment

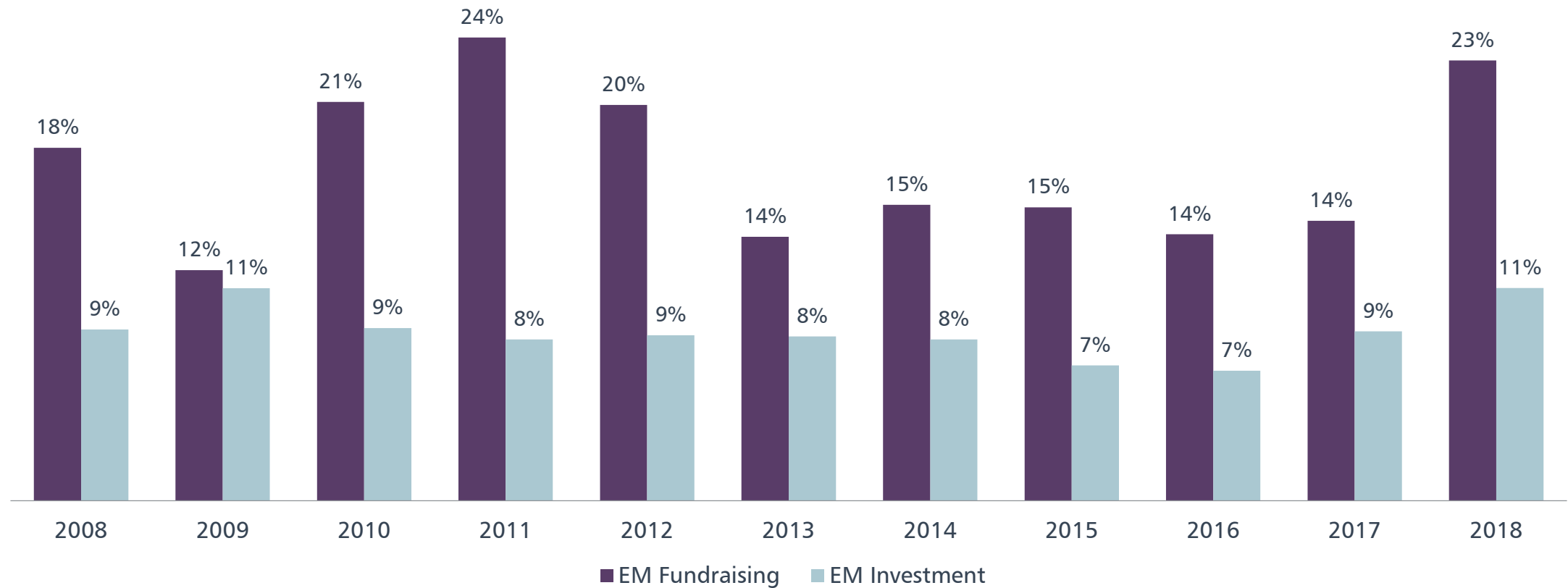
EM Funds Raised and Capital Invested, 2008-2018 (USD Billions)



Note: Includes private equity and venture capital, private credit, and private infrastructure and real assets. Data as of 31 December 2018. Published 25 February 2019.

EM Fundraising & Investment

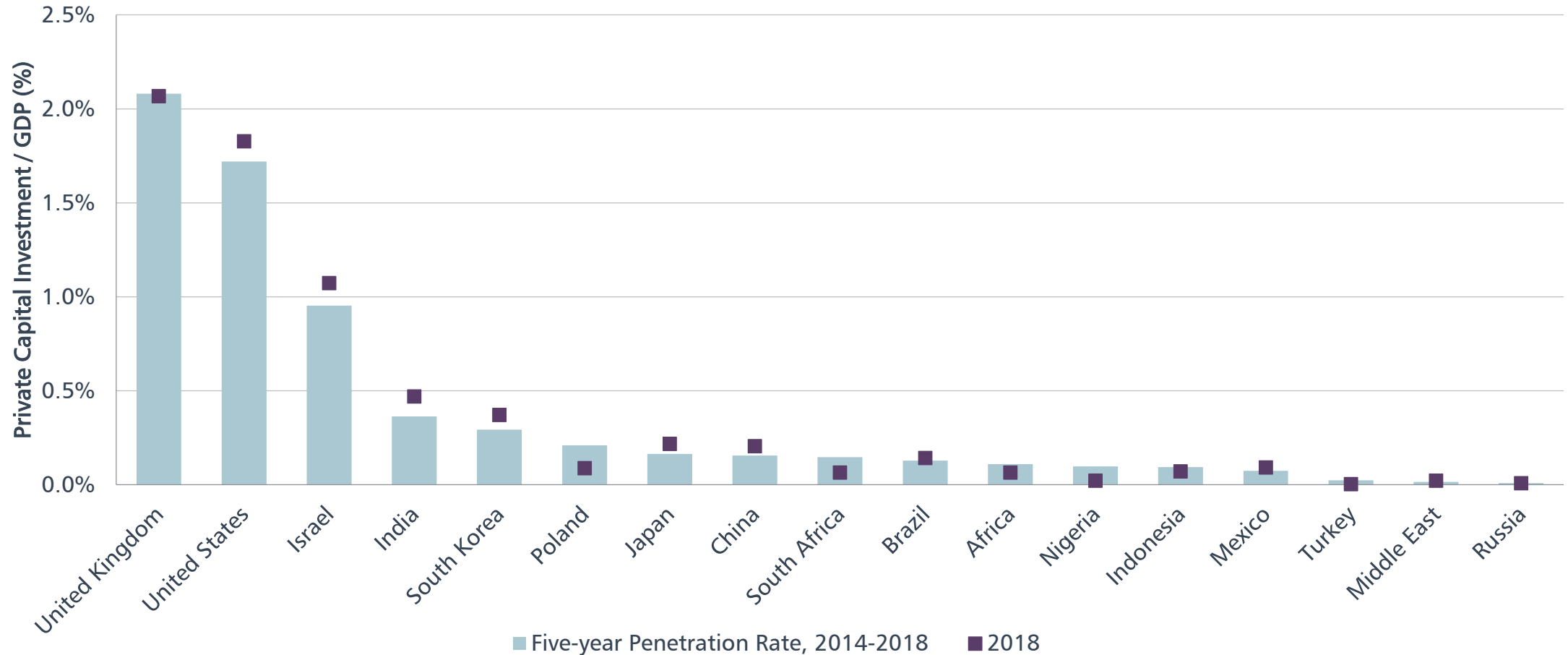
EM Funds Raised and Capital Invested as % of Global Total, 2008-2018



Note: Includes private equity and venture capital, private credit, and private infrastructure and real assets. Data as of 31 December 2018. Published 25 February 2019.

Global Private Capital Penetration

Disclosed Private Capital Invested as % of GDP, 2014-2018



Data as of 31 December 2018. Published 25 February 2019. Sources: Developed Markets – PitchBook; EM – EMPEA. All GDP data obtained from IMF World Economic Outlook Database, October 2018. GDP estimates begin after 2017.

EMPEA Research Methodology

NOTE: EMPEA's research methodology has been updated as of 5 February 2019. Standard EMPEA investment reporting now includes expanded coverage of direct secondary transactions, including investments for both minority and majority stakes on either a single-asset or a portfolio basis, but excluding purchases of LP stakes and fund restructurings. In addition, 'Sub-Saharan Africa' and 'MENA' have been replaced with 'Africa' and 'Middle East' as top-level regions in EMPEA's geographic classification system. Private capital activity in North Africa will henceforth be included in Africa regional totals in standard EMPEA data releases and reports. 'MENA' totals can be produced for members upon request. For additional details, please contact 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, 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, fund 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, secondary buyout, growth, venture capital, replacement capital, secondary portfolio, 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.

Methodology (continued)

Purchases of LP stakes by secondary buyers and fund restructurings 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.

Exits

Aggregate data on exit activity in emerging markets can be subject to significant selection bias in the reporting of such 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.

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 predominately 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 are defined as:

- **Africa:** All African countries, including North Africa.
- **Emerging Asia:** Asia Pacific, excluding Japan, Australia, and New Zealand. Includes Afghanistan and Pakistan.
- **Central and Eastern Europe (CEE) and the 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:** Gulf Cooperation Council (GCC), Iran, Iraq, Jordan, Lebanon, Palestinian Territories, Syria, and Yemen.

Methodology (continued)

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.

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Additional Notes

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.

Disclaimer: This information is intended to provide an indication of industry activity based on the best information available from public and proprietary sources. EMPEA has taken measures to validate the information presented herein but cannot guarantee the ultimate accuracy or completeness of the data provided. EMPEA is not responsible for any decision made or action taken based on information drawn from this report.



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