



Industry Statistics Mid-Year 2019

Emerging Market 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;
 - Fund size distribution;
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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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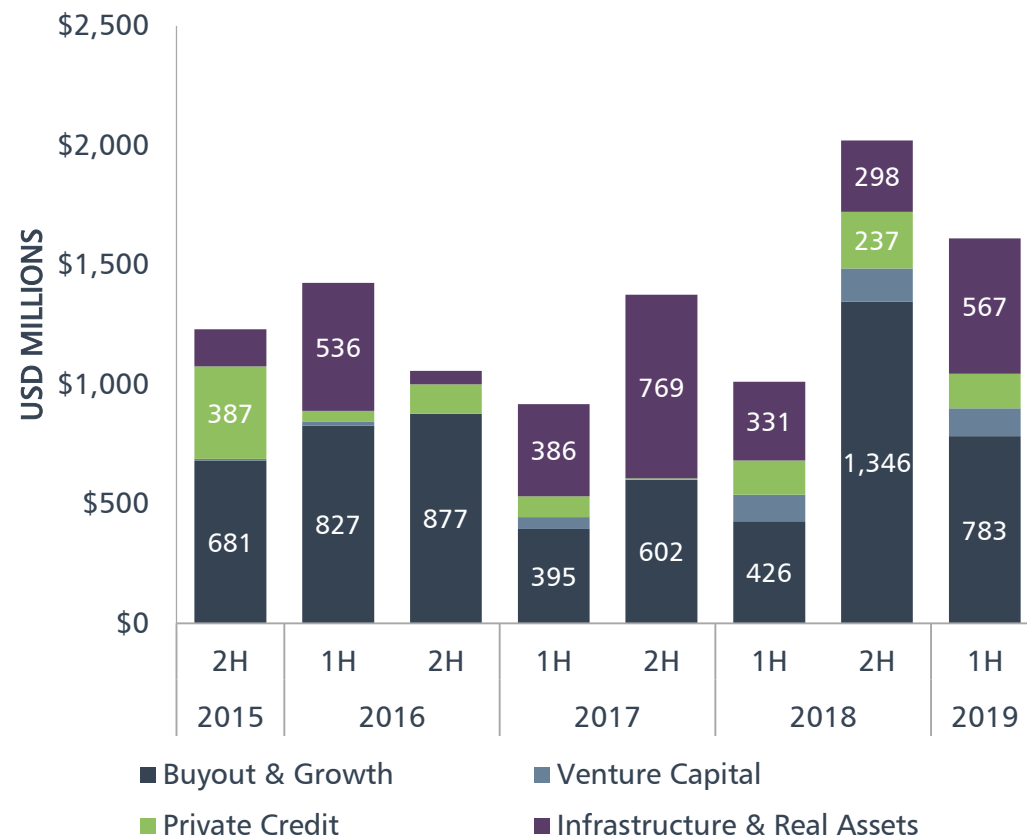
- **Highlights from the Mid-Year 2019 Industry Statistics**
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- Cambridge Associates PE & VC Fund Performance

Mid-Year 2019 Industry Statistics | Emerging Market Private Capital
Highlights

Africa: Fundraising Revival

Capital raised has rebounded after two slow years, with USD1.6 billion raised in 1H 2019, putting the region on pace for its highest annual total since 2015

Africa Fundraising by Strategy, 2H 2015-1H 2019



Data as of 30 June 2019. Published 11 September 2019.

Largest Africa Funds Achieving a Close, 1H 2019

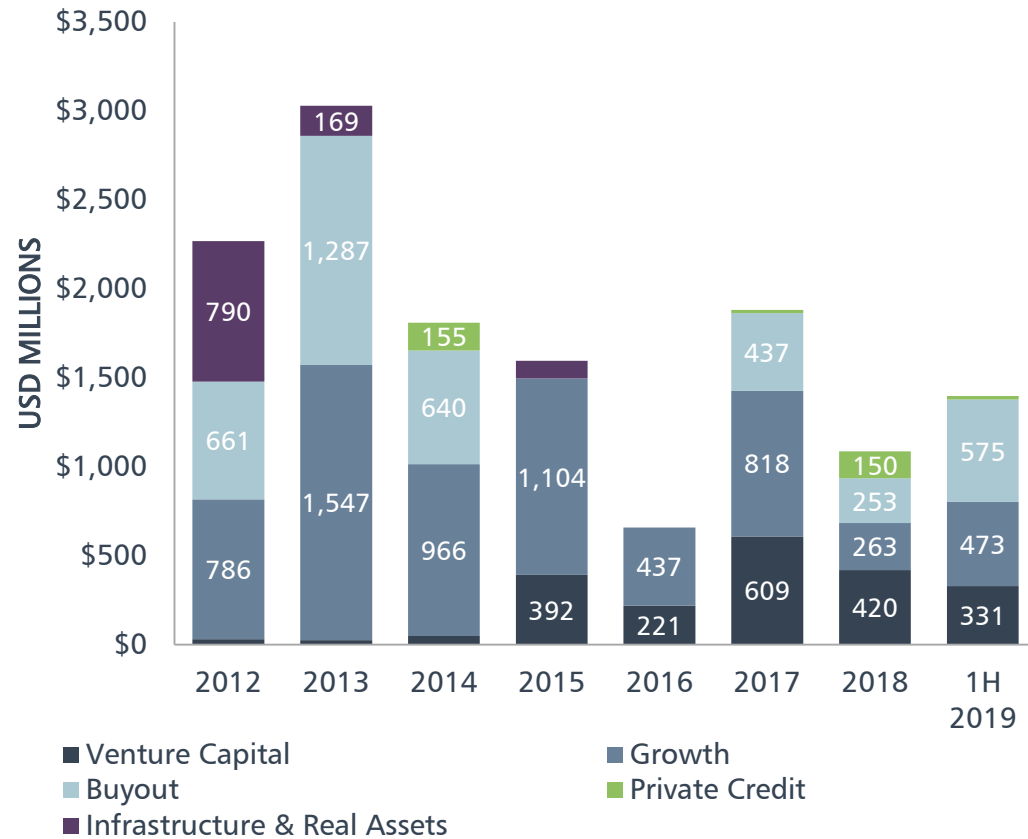
Fund Manager(s)	Fund Name	Fund Type	Capital Raised to Date (USDm)
Meridiam	Meridiam Infrastructure Africa Fund	Infrastructure	613
Amethis	Amethis Fund II	Growth	425
Partech Partners	Partech Africa Fund	Venture Capital	148
EXEO Capital	Agri-Vie Fund II	Growth	146
Ethos	Ethos Mezzanine Partners Fund III*	Mezzanine	120
Lintel Capital	African Credit Opportunities Fund 1*	Mezzanine	100
ARCH Emerging Markets Partners	ARCH Africa Renewable Power Fund*	Infrastructure	100
Investisseurs & Partenaires (I&P)	I&P Afrique Entrepreneurs II (IPAE 2)*	Growth	87
Zebu Investment Partners	Africa Food Security Fund*	Growth	84
Acumen Capital Partners	KawiSafi Ventures	Venture Capital	70

Established regional private equity players raising follow-on funds and new entrants to the region's infrastructure space have led the way

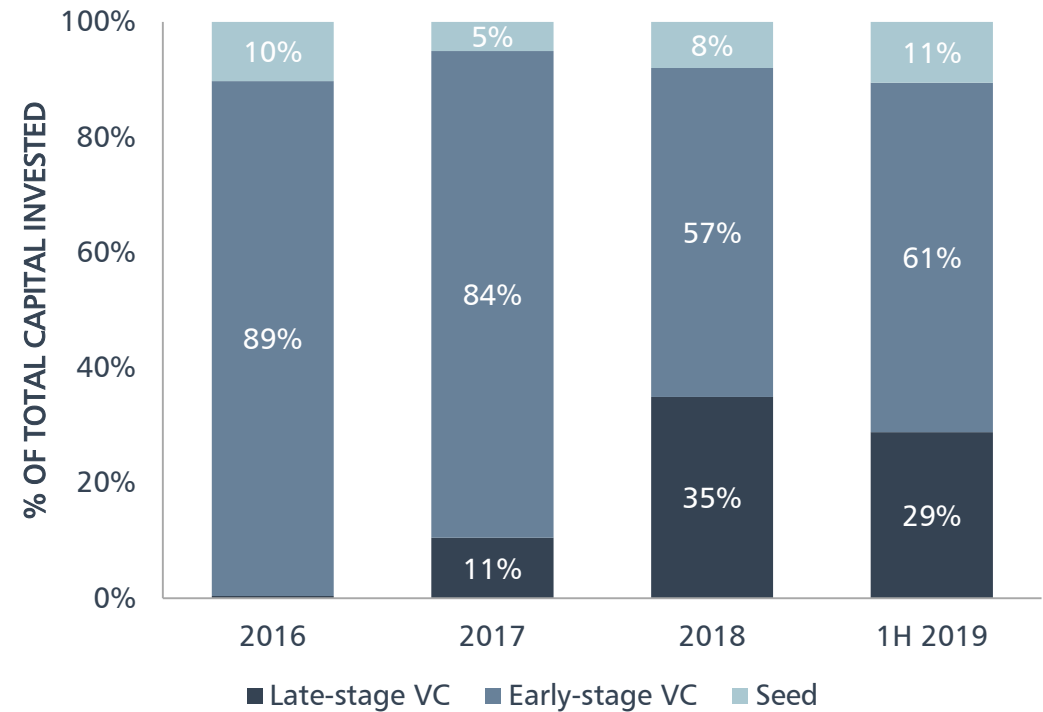
Southeast Asia: Late-Stage VC in Focus

Fundraising for Southeast Asia in 1H 2019 surpassed the total for all of 2018, with both regional PE veterans and new local VC teams raising capital

Southeast Asia Fundraising by Strategy, 2012-1H 2019



Southeast Asia Venture Capital Investment by Stage, 2016-1H 2019



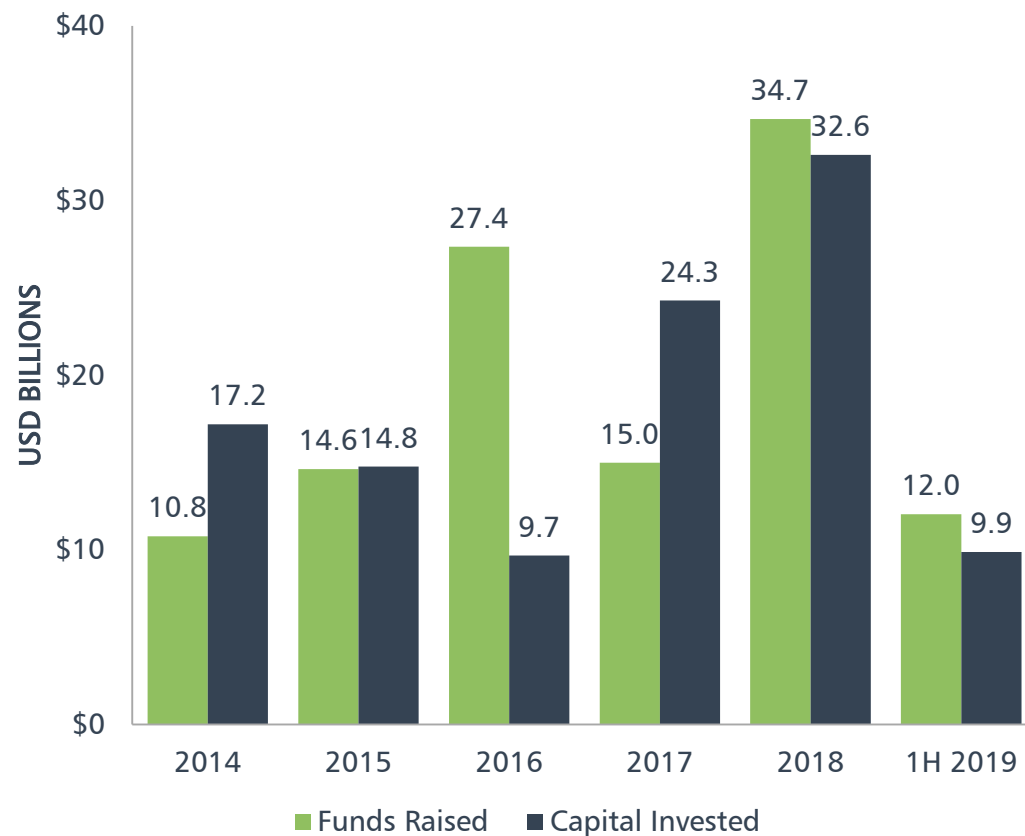
The sustained growth of local technology ecosystems has translated into more late-stage VC opportunities for GPs in Southeast Asia

Data as of 30 June 2019. Published 11 September 2019.

China: Rebalancing After a Record Year

After reaching new highs in 2018, funds raised and capital invested in China decreased by 31% and 34%, respectively, year over year, in 1H 2019

China Fundraising and Investment, 2014-1H 2019



Data as of 30 June 2019. Published 11 September 2019.

Largest Disclosed Private Capital Investments in China, 1H 2019

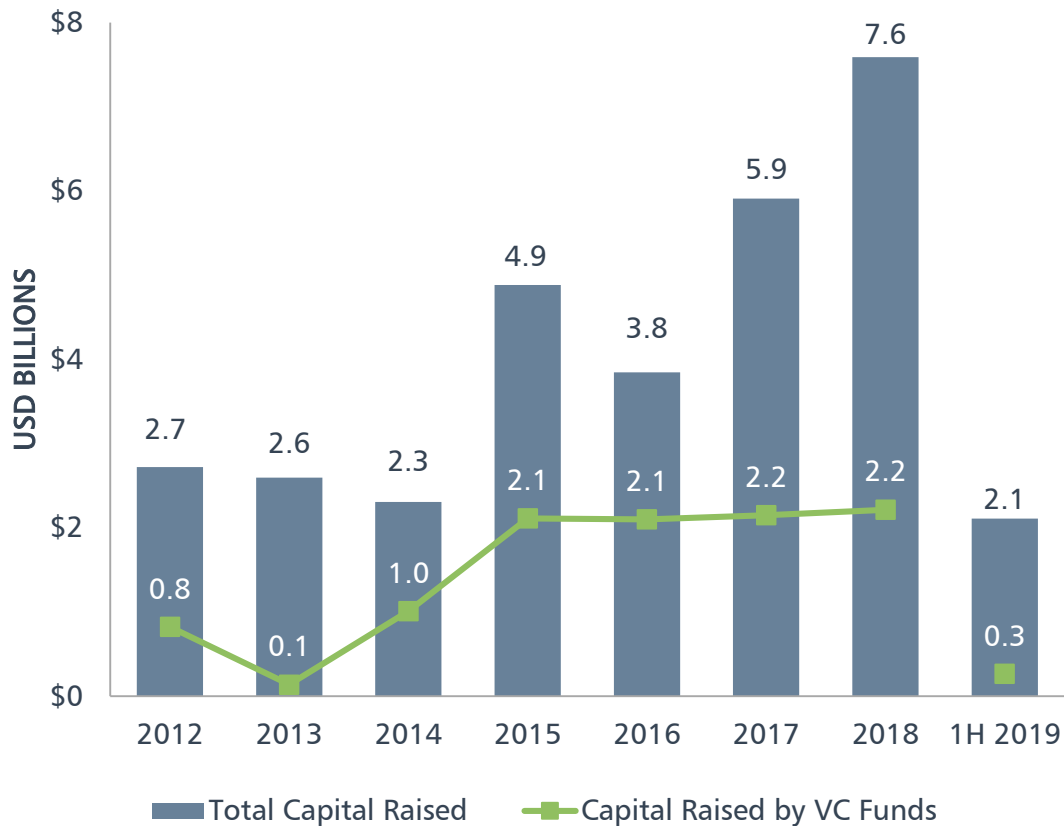
Fund Manager(s)	Company	Primary Sector	Investment Type	Investment Amount (USDm)
Yunfeng Capital, Boyu Capital	iKang Healthcare Group	Health Care Providers	Buyout	1,043
Bain Capital	Beijing Qinhuai Technology	Software & Computer Services	Growth	570
MBK Partners, Ocean Link	eHi Car Rental	Consumer Services	Buyout	529
Sequoia Capital, General Atlantic, Tiantu Xingye Venture Capital (Tiantu Capital)	Ziroom Shenghuo Asset Management (Ziru)	Real Estate Investment & Services	Growth	500
Tiger Global Management, CMC Capital Partners, Gaorong Capital, Joy Capital (Yuyue Capital), Primavera Capital Management	Ziwutong Asset Management (Danke Apartment)	Real Estate Investment & Services	Venture Capital	500

Not all sectors were equally affected by the slowdown in investment, however, with health care and real estate services attracting large tickets from global and local GPs

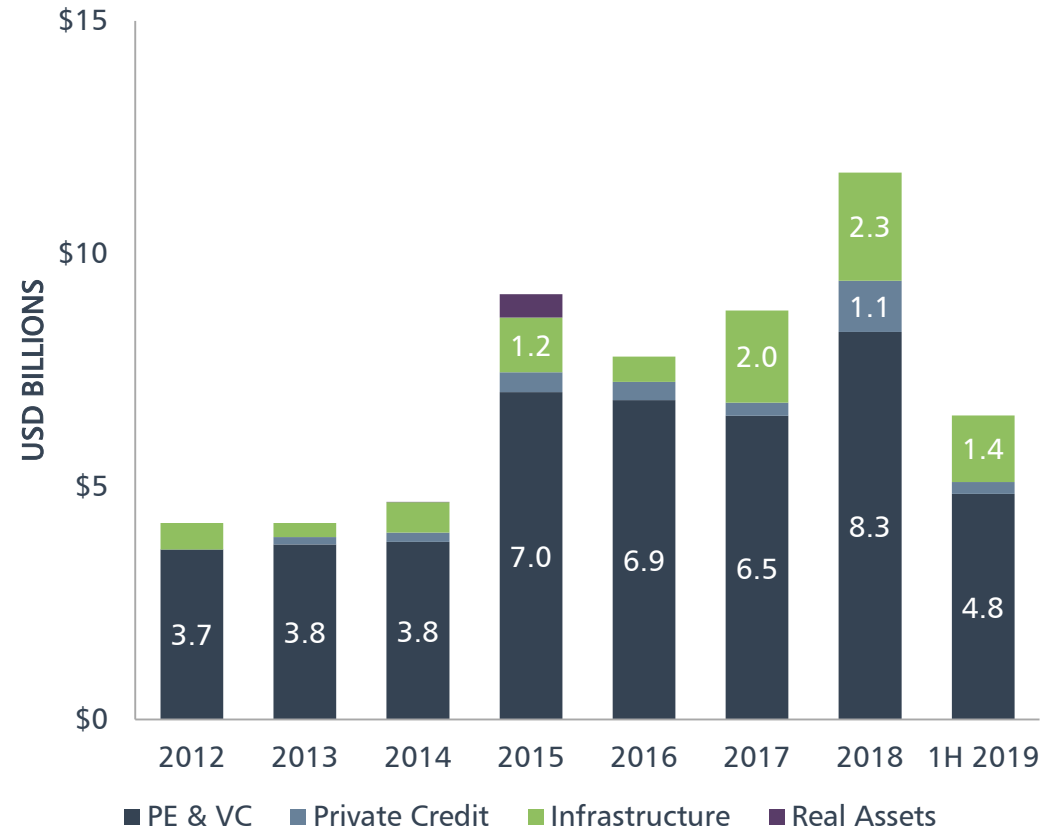
India: Investment Continues to Climb

Despite a slowdown in fundraising, particularly in the VC segment, investment continues to climb and is on track to exceed all years on record with USD6.5 billion in disclosed capital invested in 1H 2019

India Fundraising, 2012-1H 2019



India Investment by Asset Class, 2012-1H 2019

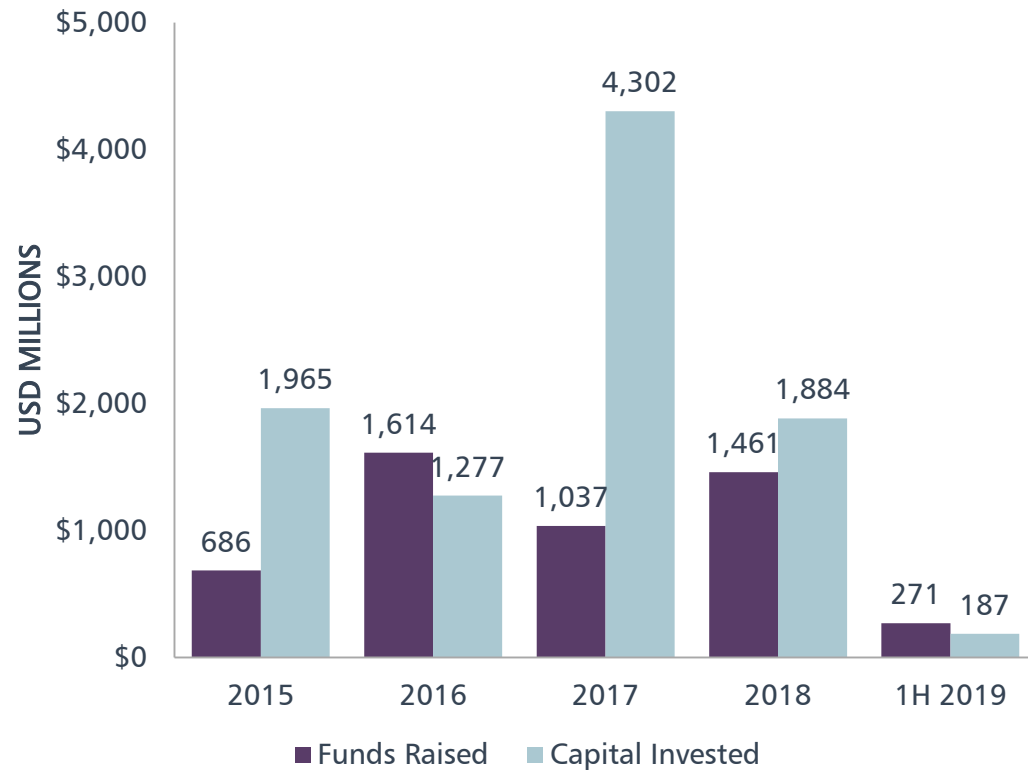


Data as of 30 June 2019. Published 11 September 2019.

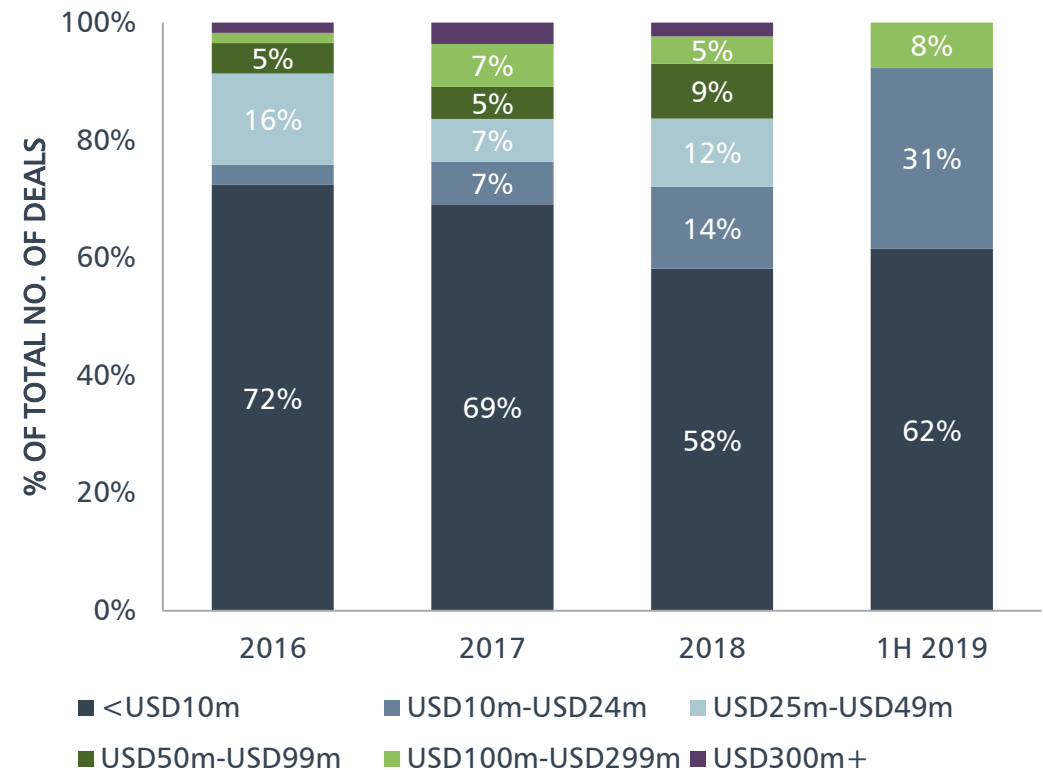
Central & Eastern Europe (CEE): A Subdued First Half

Capital deployed in CEE declined in 1H 2019 in part due to fewer large transactions, with Mid Europa's buyout of Poland-based Intive the only disclosed deal above USD100 million; lower-middle-market PE and venture capital have remained the mainstay for the region

CEE Fundraising and Investment, 2015-1H 2019



CEE Investment by Deal Size, 2016-1H 2019

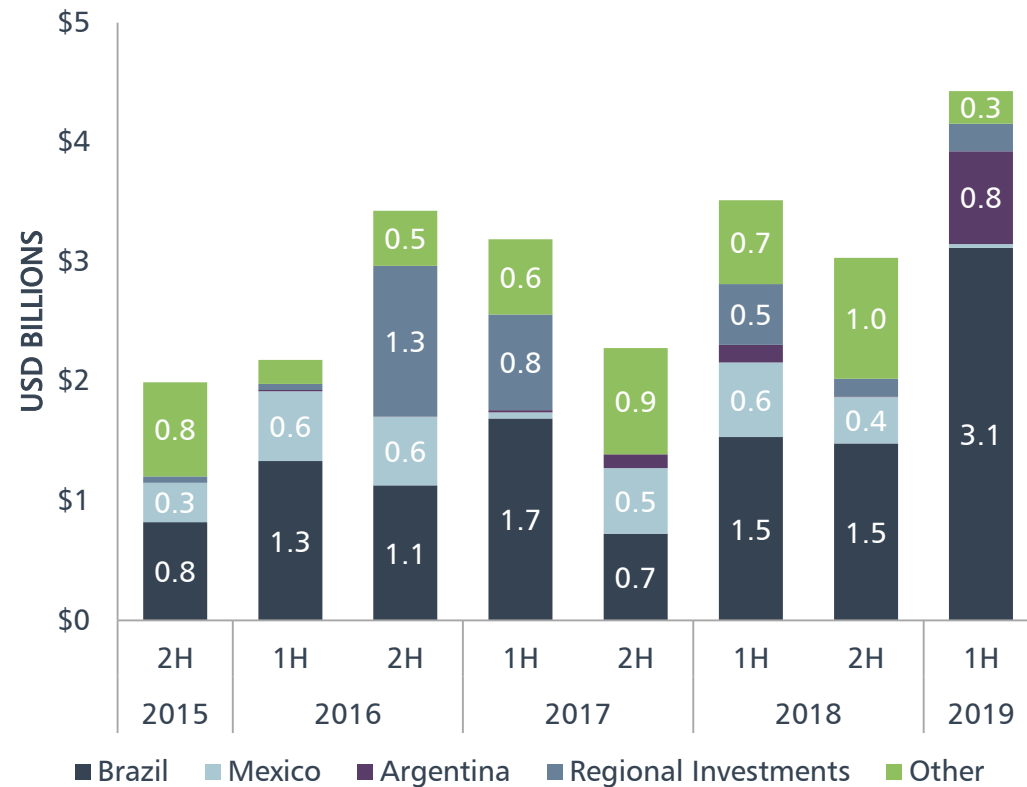


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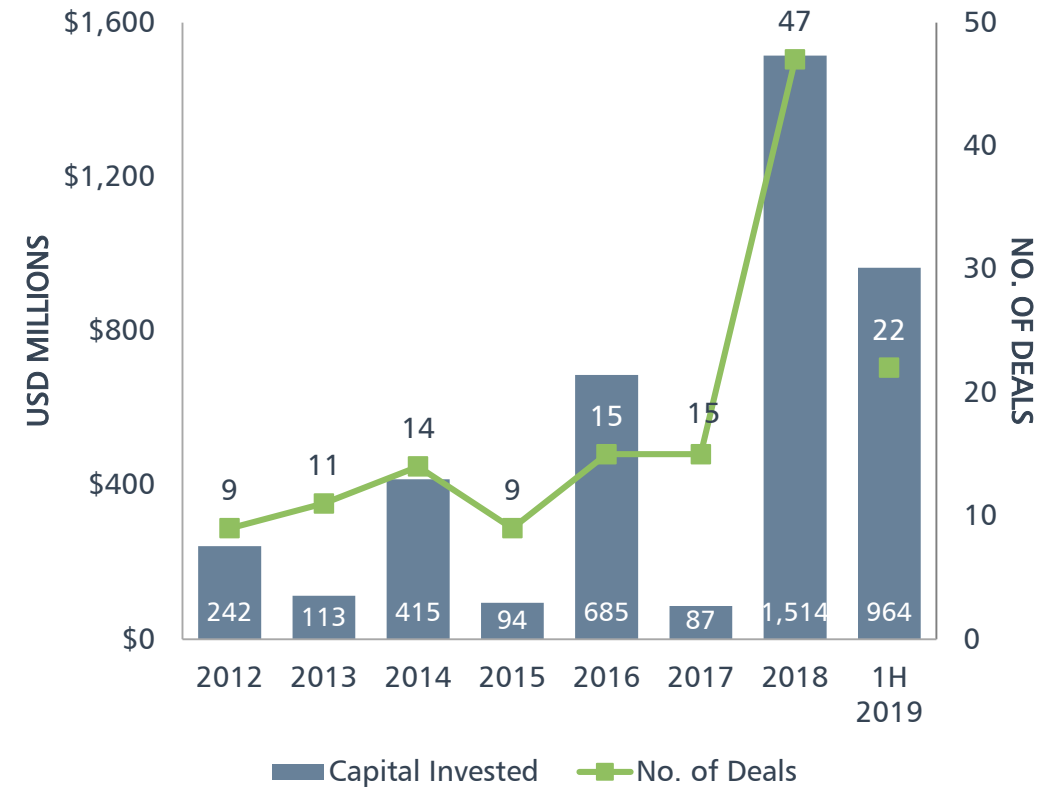
Latin America: Private Credit Opportunities in Brazil

GPs put more than USD4.4 billion to work in Latin America in 1H 2019, with Brazil garnering the lion's share; special situations and distressed debt opportunities in Brazil have contributed to a pickup in private credit investments in the region over the last 12 months

Latin America Investment by Geography, 2H 2015-1H 2019



Latin America Private Credit Investment, 2012-1H 2019

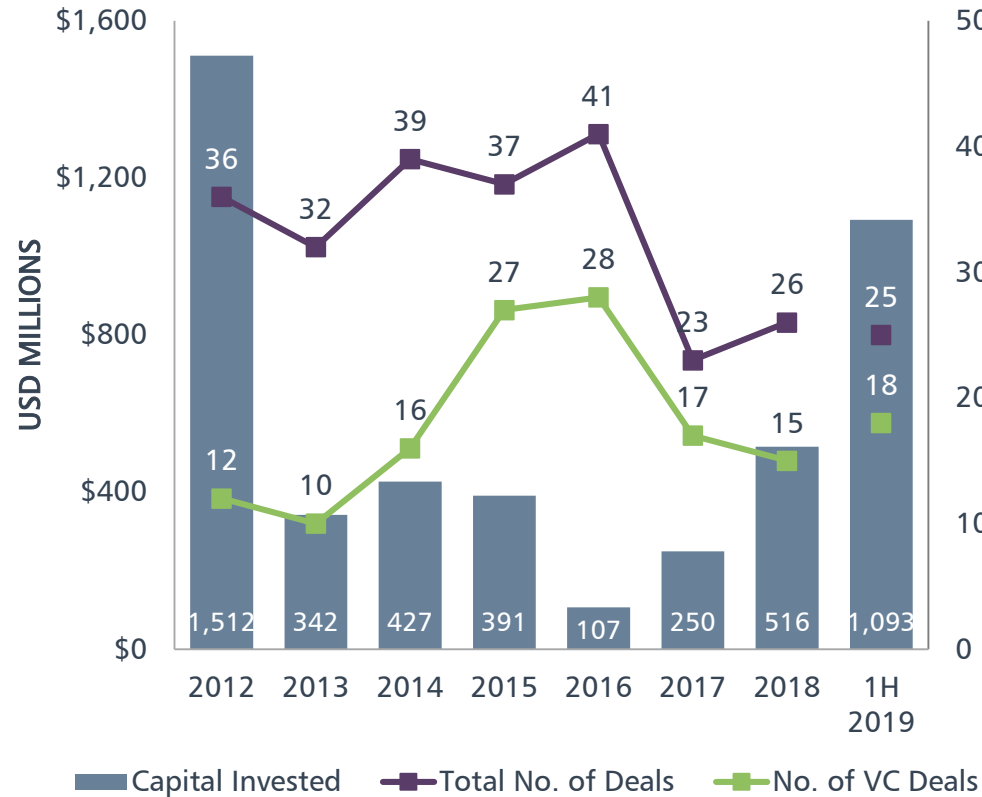


Data as of 30 June 2019. Published 11 September 2019.

Middle East: Old Strengths, New Opportunities

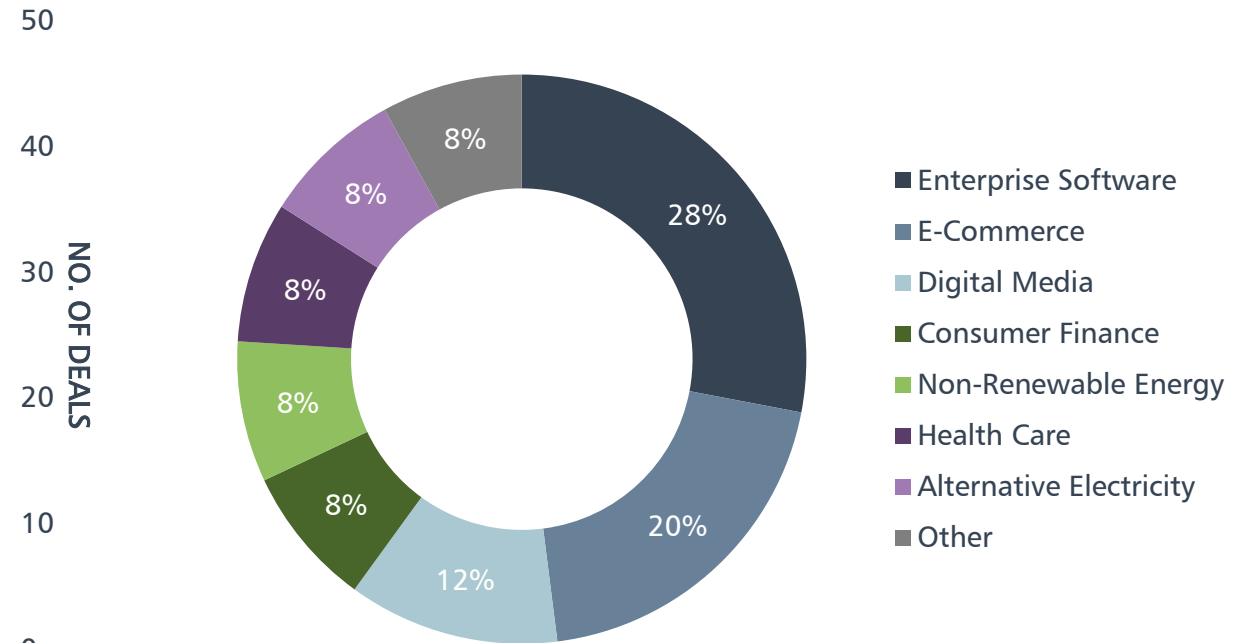
Fund managers deployed USD1.1 billion in the region in 1H 2019, led by KKR and Blackrock's USD1 billion acquisition of a 40% interest in ADNOC Oil Pipelines

Middle East Investment, 2012-1H 2019



Data as of 30 June 2019. Published 11 September 2019.

Middle East Investment by Business Segment, 1H 2019 (% of Total No. of Deals)

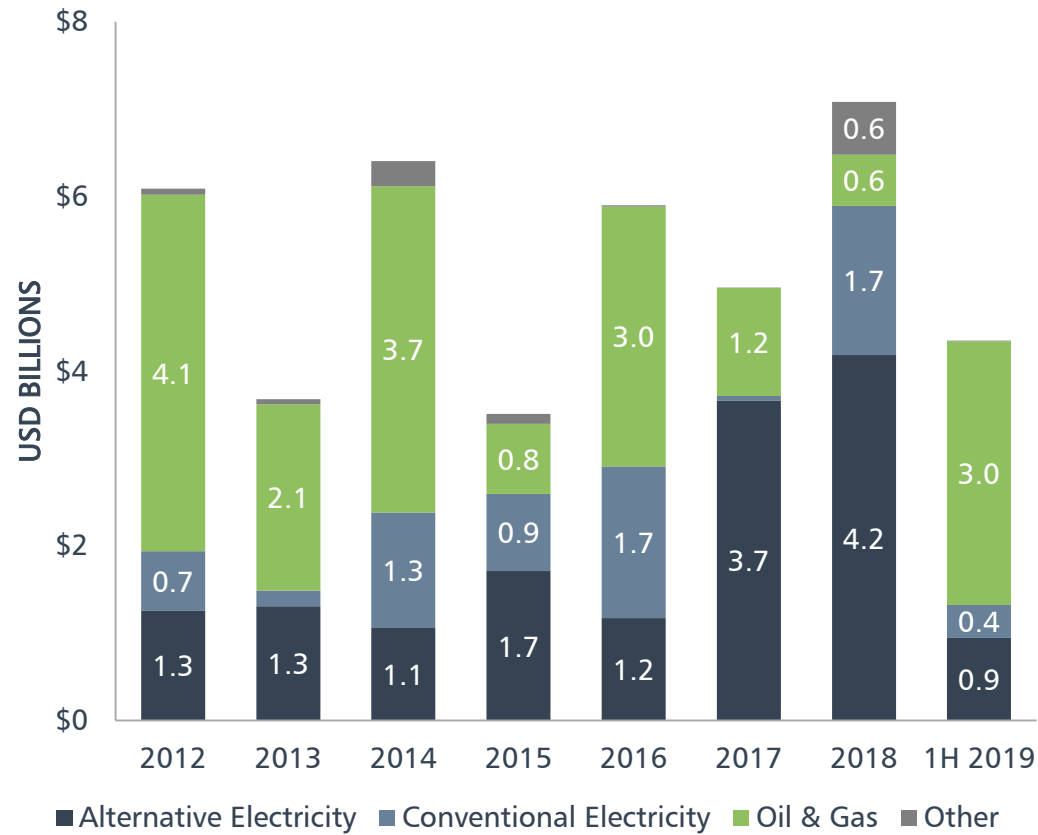


Deal volume, in contrast, has been driven by technology-enabled businesses and VC activity

Energy & Power: Shift Toward Renewables

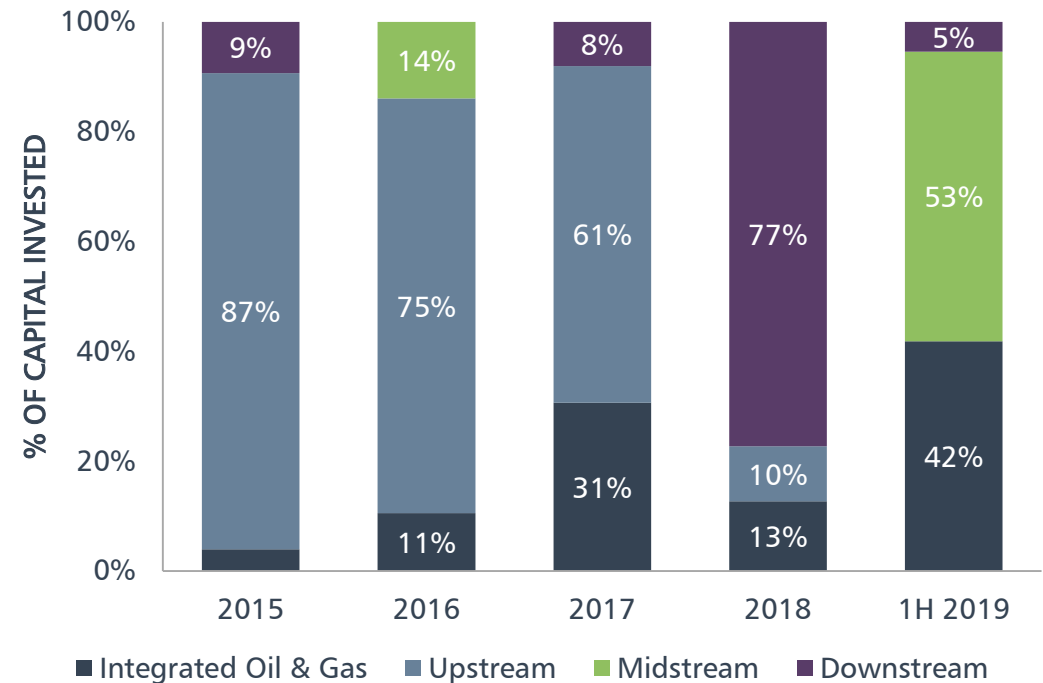
With the exception of a few large oil & gas pipeline investments in 1H 2019, the energy investment landscape has shifted toward alternative electricity

EM Energy & Power Investment by Sector†, 2012-1H 2019



Data as of 30 June 2019. Published 11 September 2019.

EM Oil & Gas Investment by Stage, 2015-1H 2019

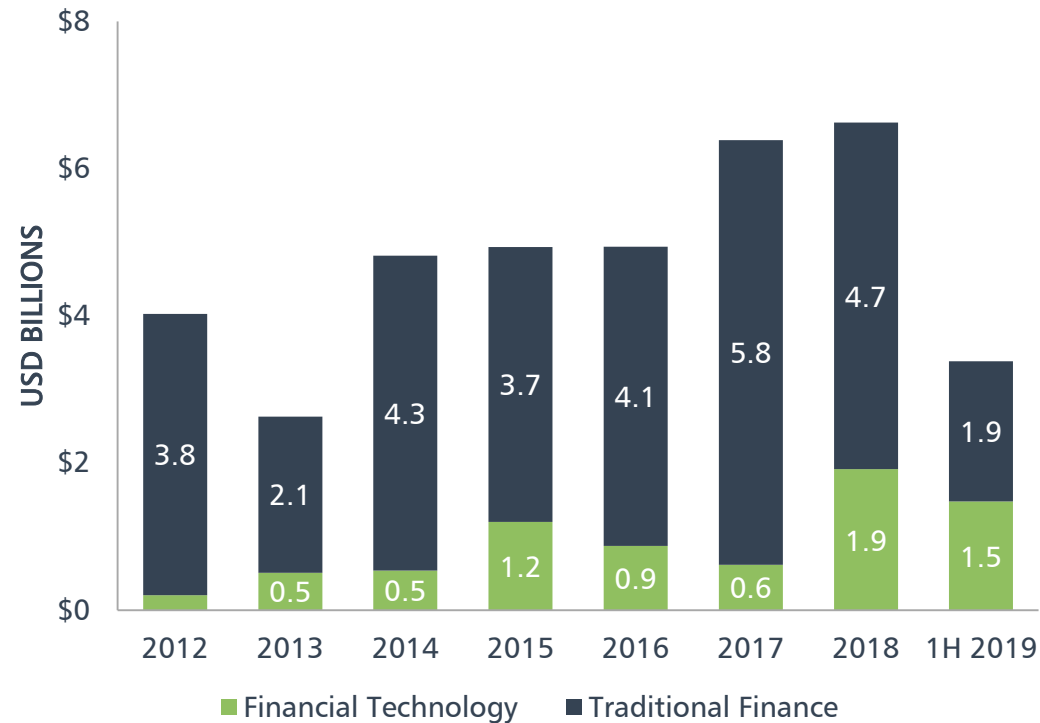


Investments in upstream oil & gas opportunities have fallen away, reflecting broader market conditions and an increasing emphasis on sustainable energy solutions

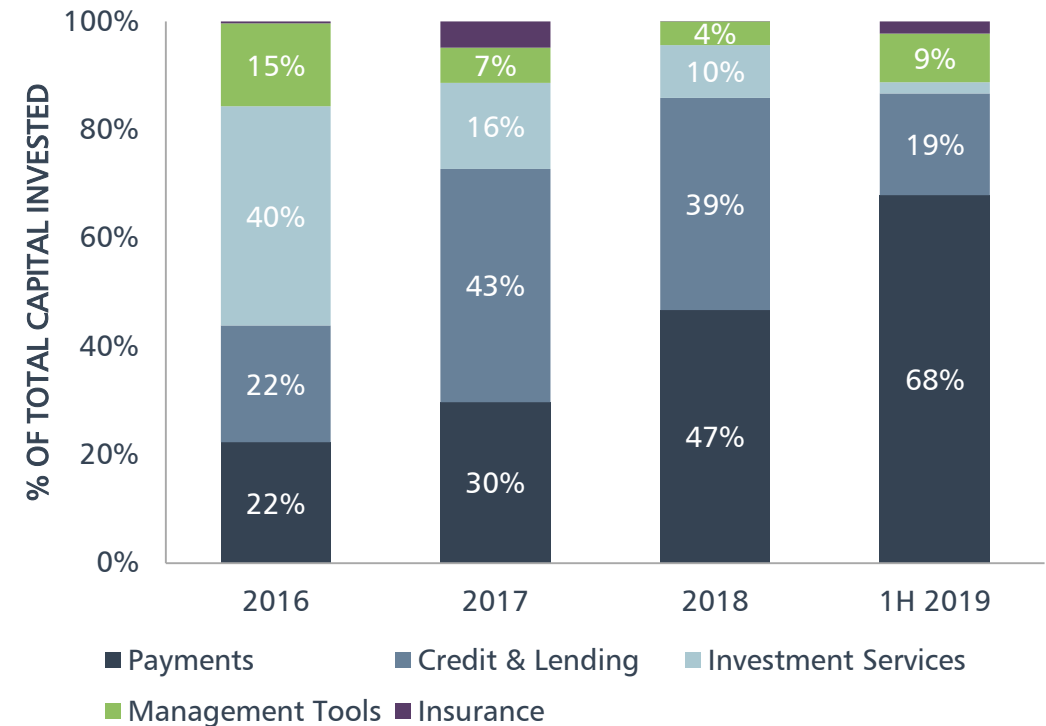
Fintech & Financials: Growing Interest in Technology-Enabled Companies

Fintech has accounted for an increasing share of all investment activity in the financial sector

EM Fintech & Financials Investment, 2012-1H 2019



EM Fintech Investment by Business Segment, 2016-1H 2019



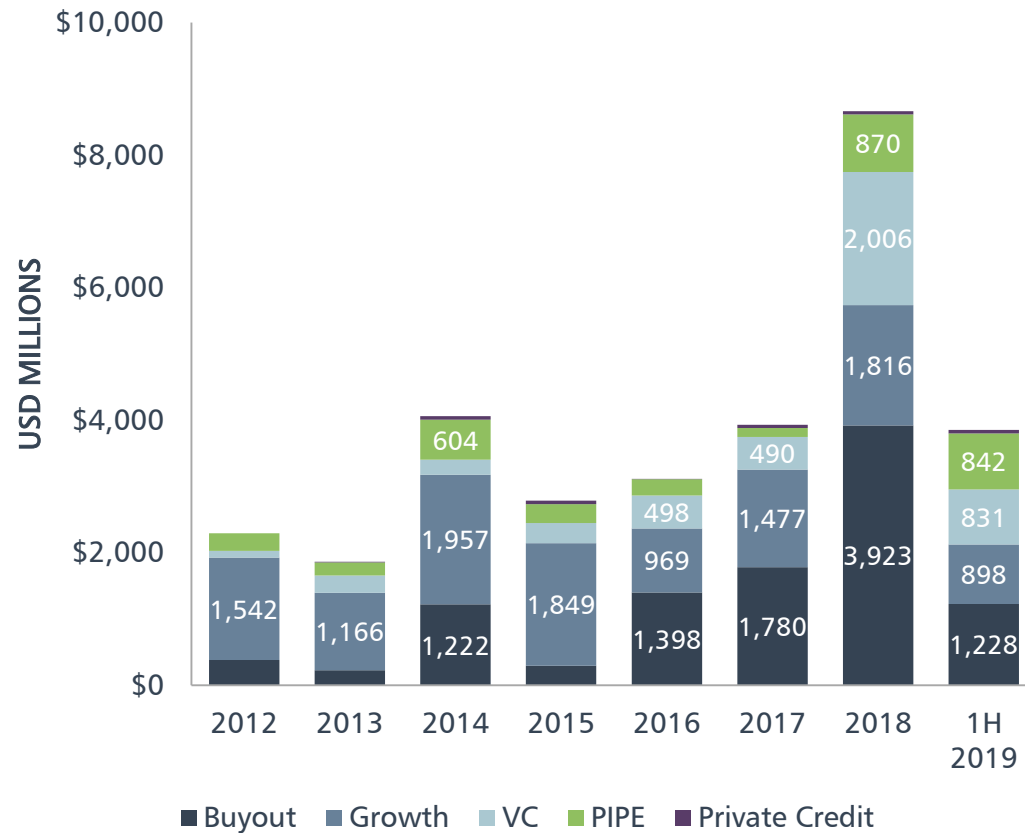
Payments companies are drawing the largest proportion of fintech investment across emerging markets, led by significant deals completed in China and Latin America

Data as of 30 June 2019. Published 11 September 2019.

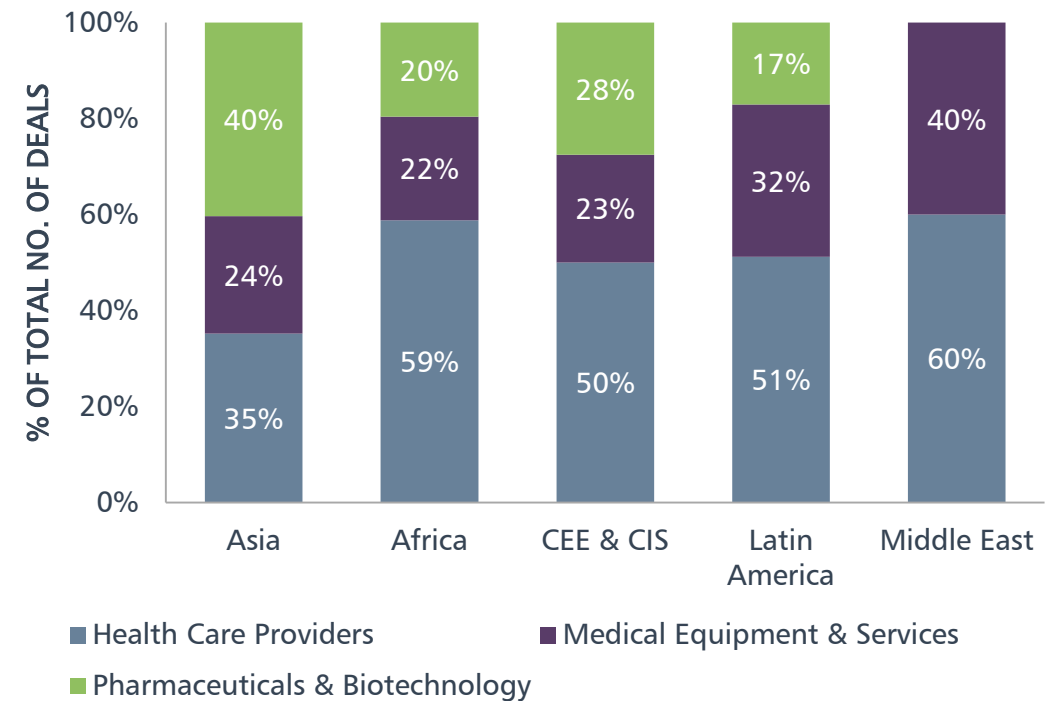
Health Care: Still a Priority Sector for Investors

Despite a pronounced slowdown in other sectors in 1H 2019, EM health care opportunities continue to attract private capital, with overall activity declining only slightly year over year

EM Health Care Investment by Deal Type, 2012-1H 2019



EM Health Care Investment by ICB† Sector & Region, 2015-1H 2019



Biotech and pharmaceuticals have driven deal activity in Emerging Asia, but the majority of deals in other regions have focused on traditional health care providers

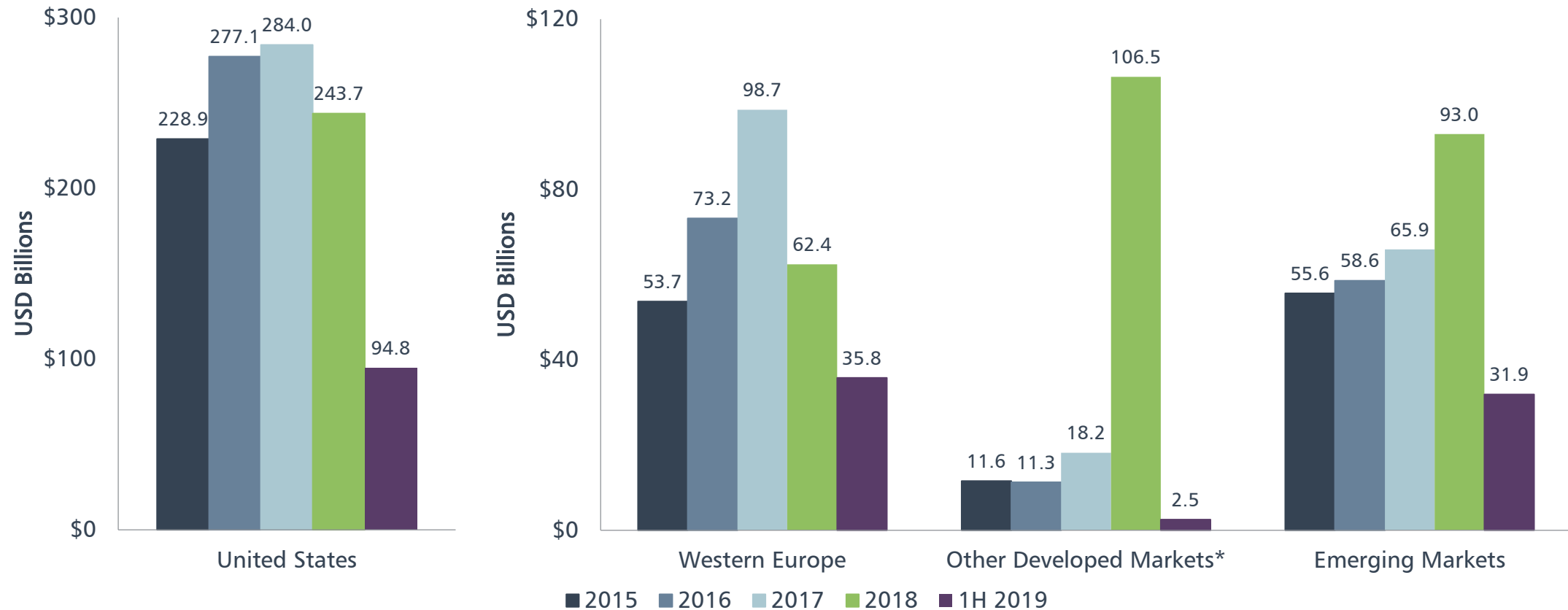
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Mid-Year 2019 Industry Statistics | Emerging Market Private Capital

Global Private Capital Overview

Global Fundraising

Global Private Capital Fundraising by Geographic Focus, 2015-1H 2019

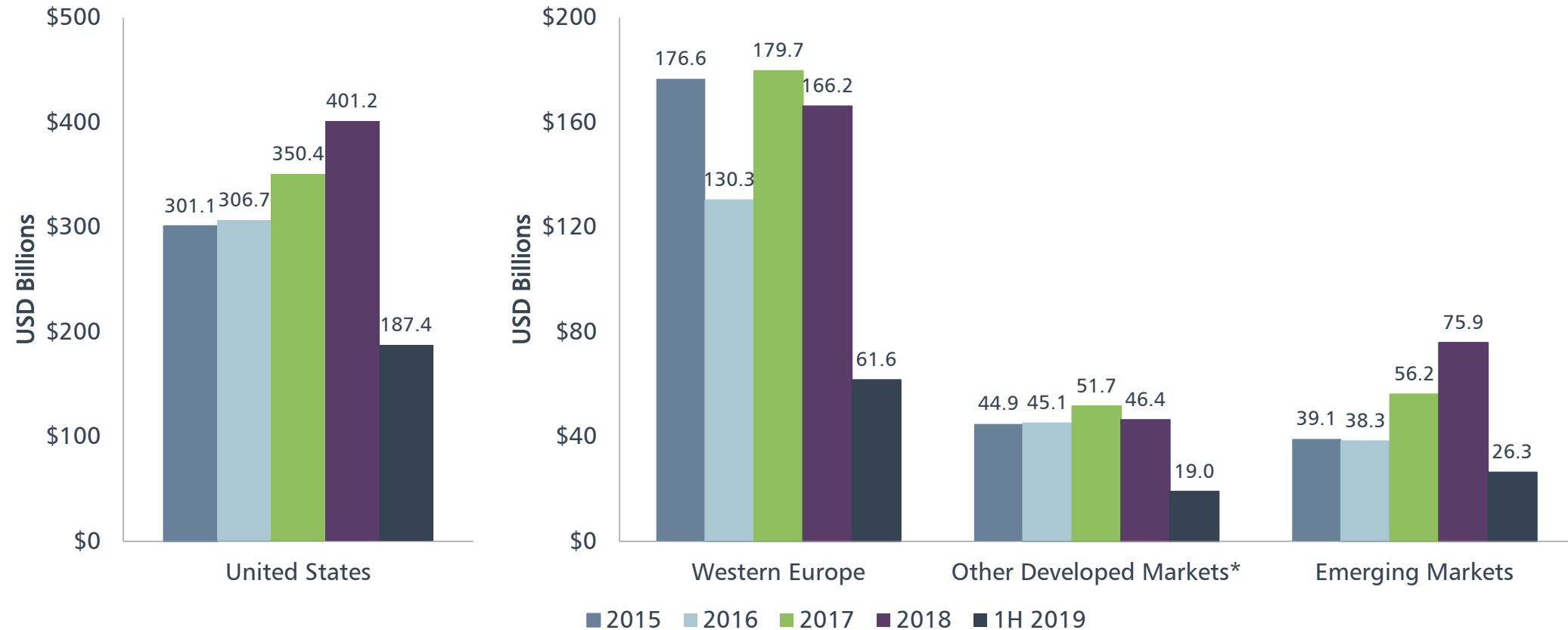


* Includes Australia, Canada, Israel, Japan, and New Zealand.

Note: Global data includes private equity and venture capital, private credit, and private infrastructure and real assets. Sources: Developed Markets – PitchBook; EM – EMPEA. Data as of 30 June 2019. Published 11 September 2019.

Global Investment

Global Private Capital Investment by Geographic Destination, 2015-1H 2019

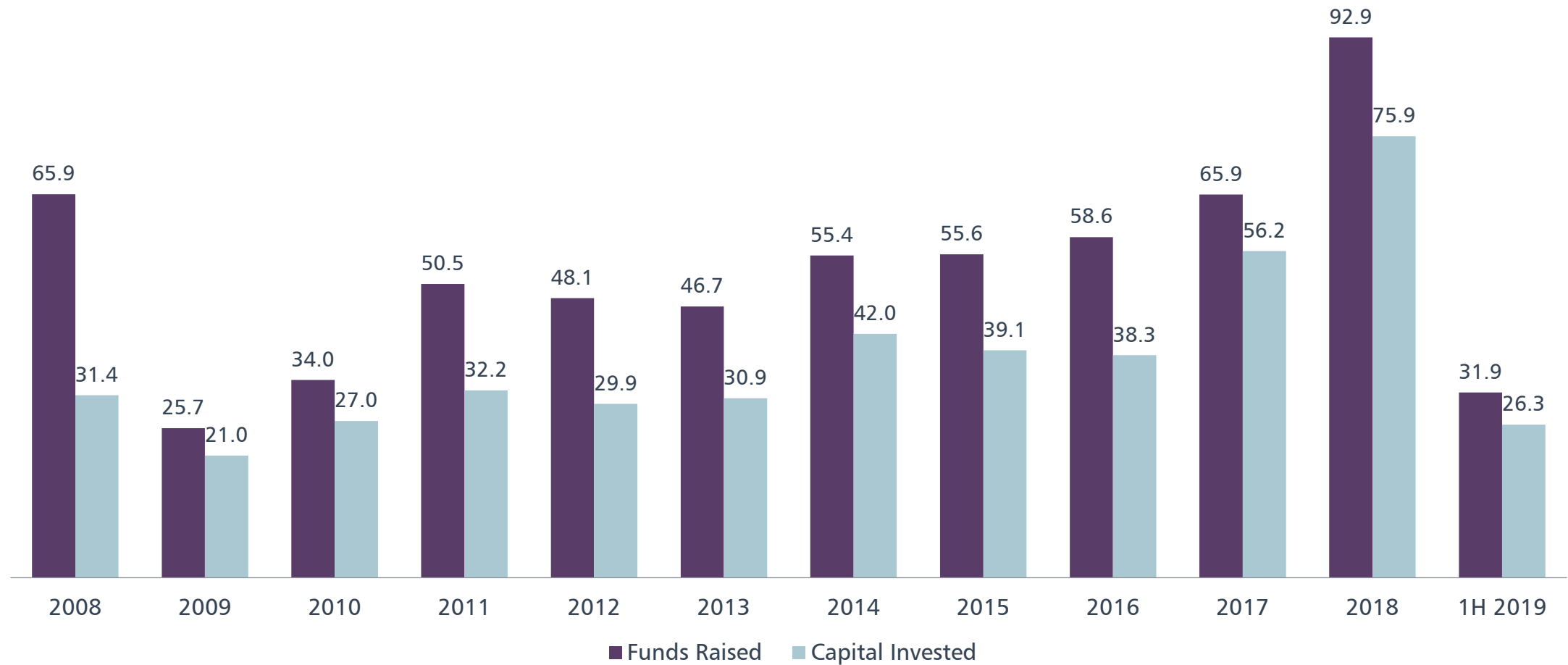


* Includes Australia, Canada, Israel, Japan, and New Zealand.

Note: Global data includes private equity and venture capital, private credit, and private infrastructure and real assets. Sources: Developed Markets – PitchBook; EM – EMPEA. Data as of 30 June 2019. Published 11 September 2019.

EM Fundraising & Investment

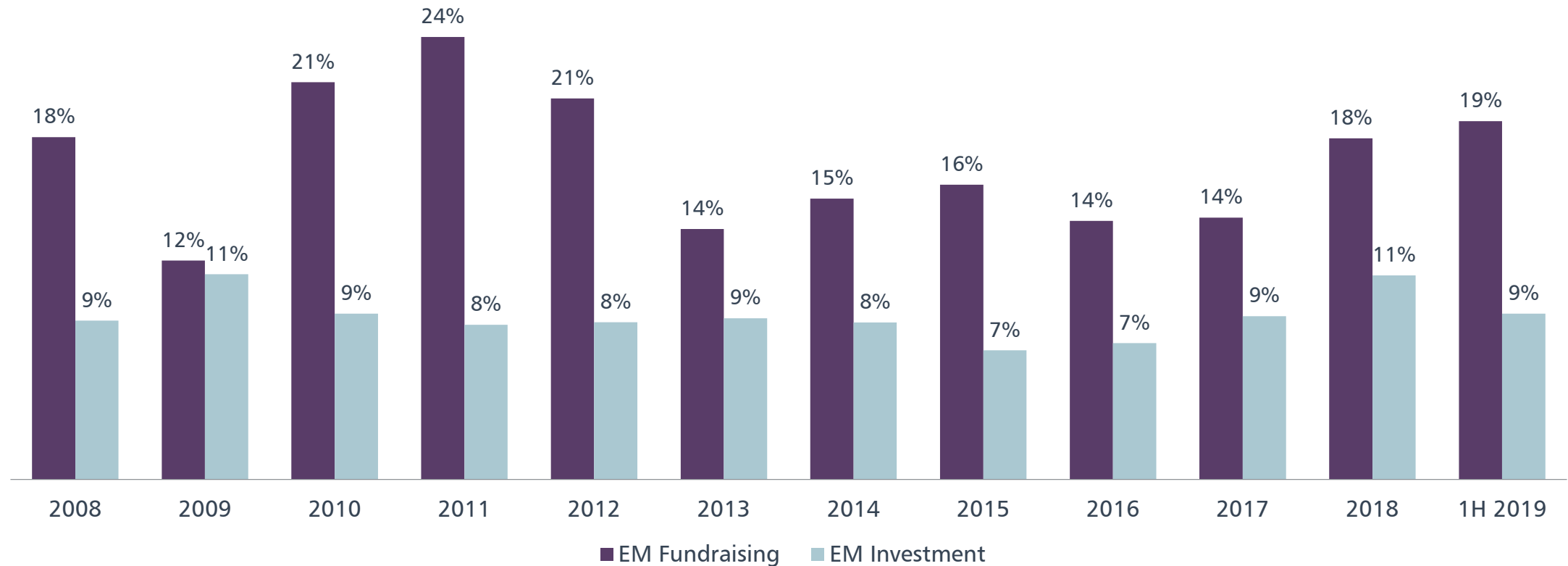
EM Funds Raised and Capital Invested, 2008-1H 2019 (USD Billions)



Note: Includes private equity and venture capital, private credit, and private infrastructure and real assets. Data as of 30 June 2019. Published 11 September 2019.

EM Fundraising & Investment

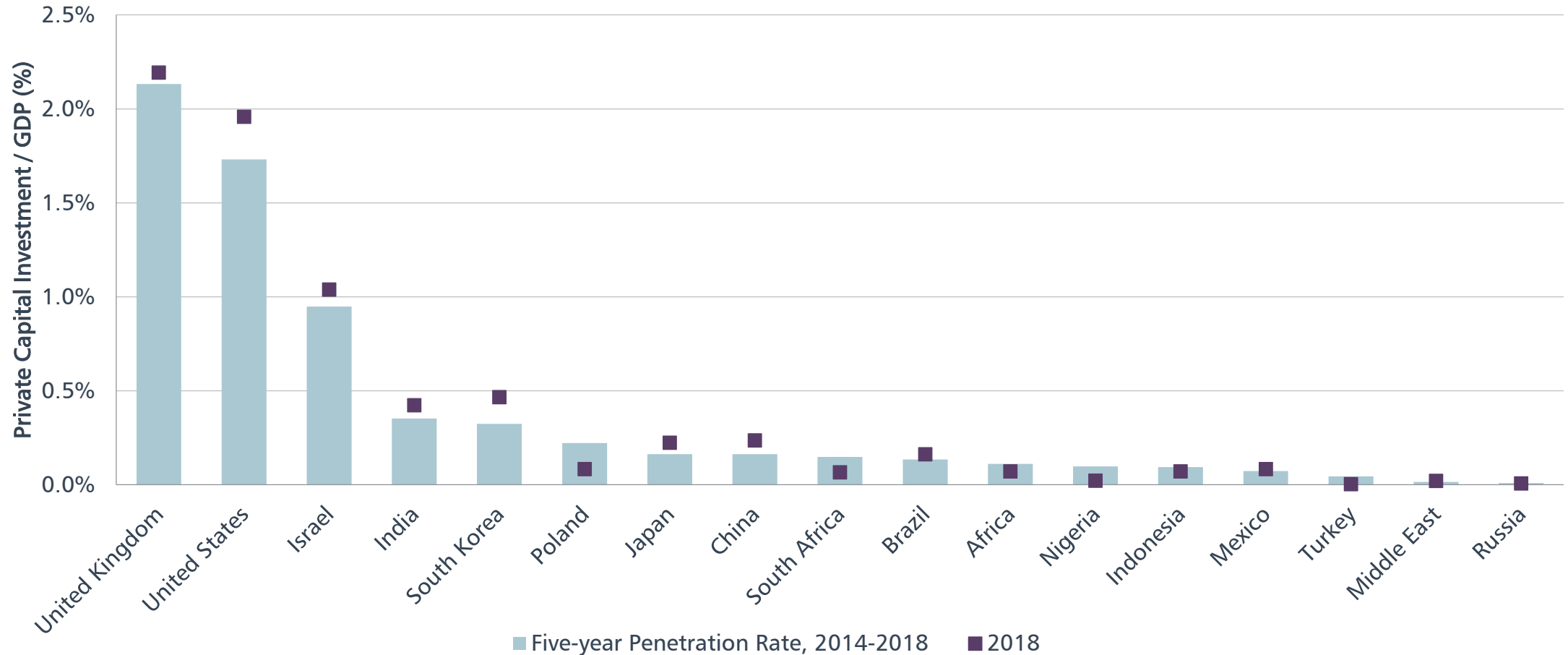
EM Funds Raised and Capital Invested as % of Global Total, 2008-1H 2019



Note: Includes private equity and venture capital, private credit, and private infrastructure and real assets. Sources: Developed Markets – PitchBook; EM – EMPEA. Data as of 30 June 2019. Published 11 September 2019.

Global Private Capital Penetration

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



Data as of 30 June 2019. Published 11 September 2019. Sources: Developed Markets – PitchBook; EM – EMPEA. All GDP data obtained from IMF World Economic Outlook Database, April 2019. 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.

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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

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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.

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