



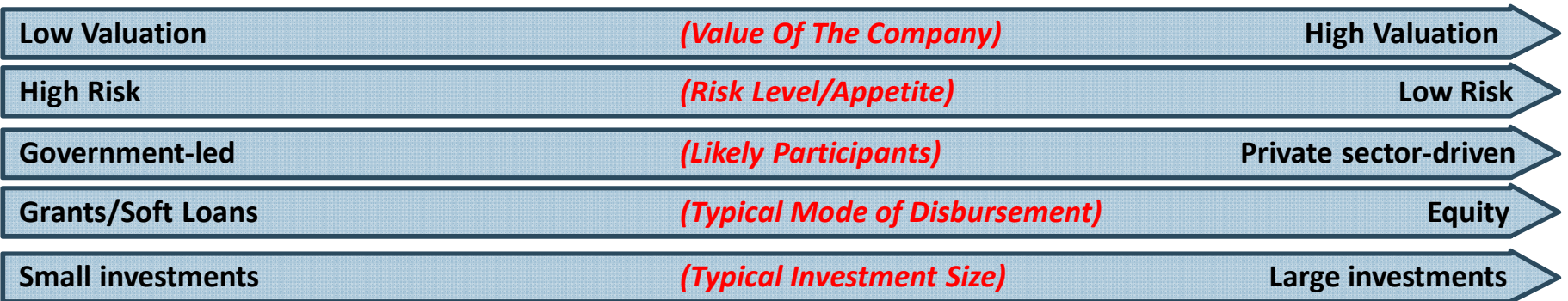
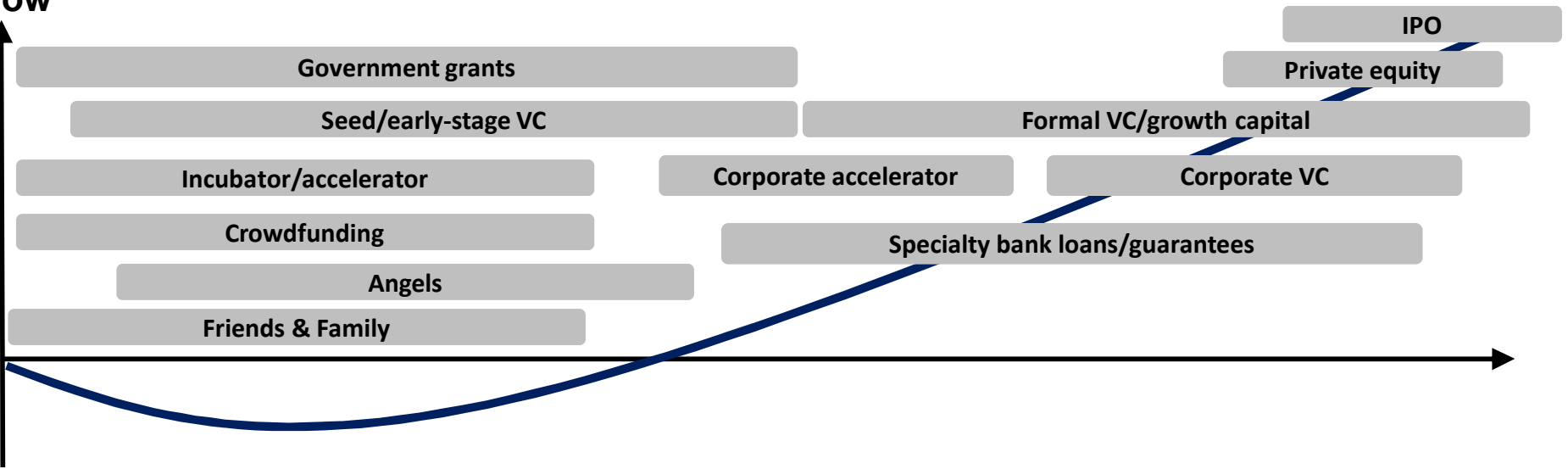
Building a Conducive Environment for Equity-Based Financing & Innovative Financing Platforms

21 May 2015

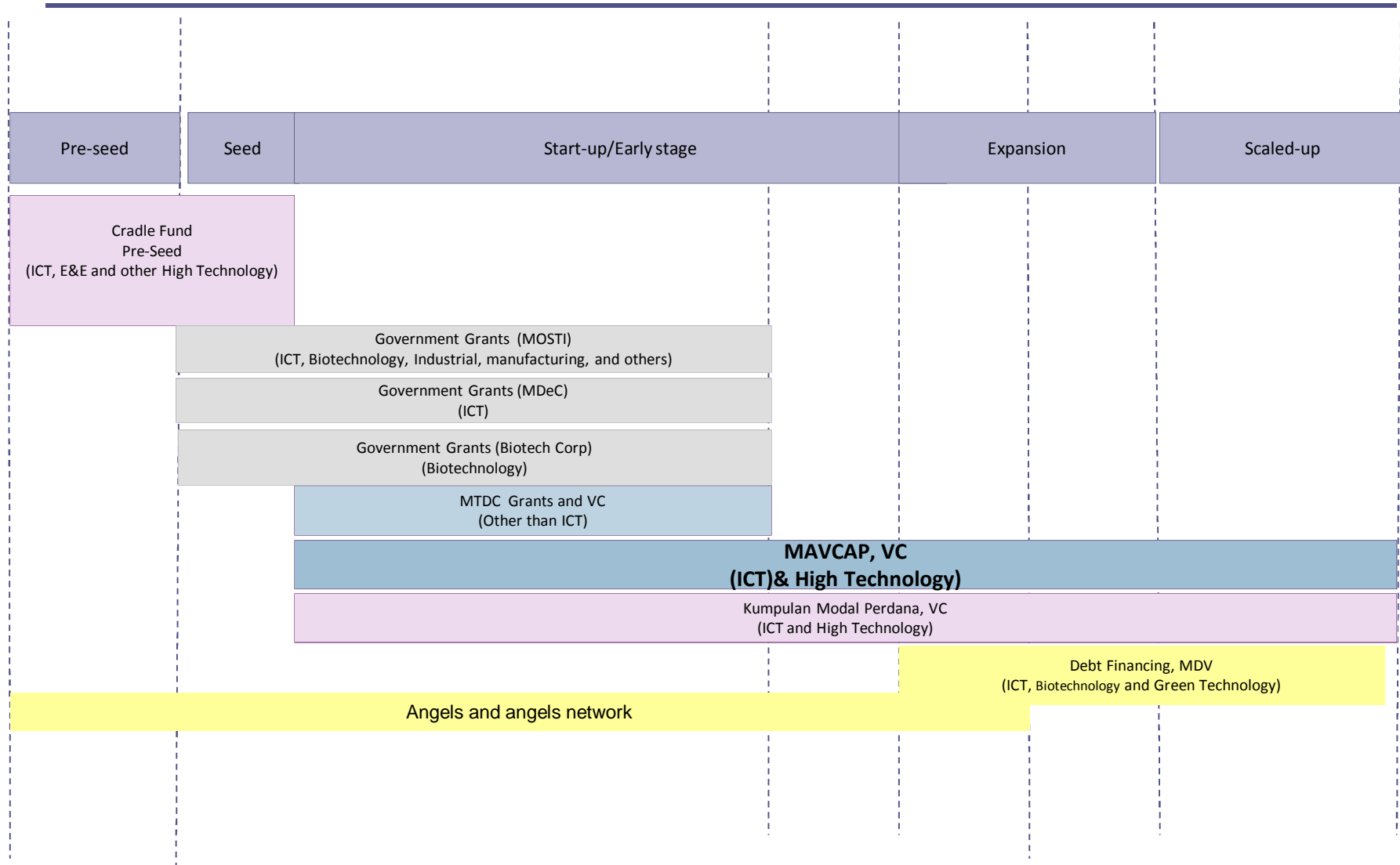


Funding Spectrum

Cash flow
↑



Public Funding Spectrum



Other Sources For SME Financing

Online lending / peer-to-peer	Money lending through unrelated individuals without the need for financial intermediaries (Lending Club, Prosper, Zopa, Kabbage)
Factoring	Invoice advancing method
Pre-sale	Popular in the creative media (eg movie production etc)
Crowdfunding	Raise money through exchange for rewards or lately, for equity.
Angel investing	Individuals who invest in companies familiar in the business space. Typical size is \$25,000

MAVCAP & Ecosystem

mavcap

Outsourcee or Co-invested with MAVCAP

Collaboration with MAVCAP

MAGIC
Malaysian Global Innovation & Creativity Centre

500 startups

AIM
AGENCY INNOVATION MANAGEMENT

Cradle
Investment Programme

MDEC

500
STARTUPS

mavcap

TERAJU
PENERAJU BUMIPUTERA

ELIXIR

mavcap

Outsourced Partners Program

Grant vs Equity vs Debt

Type	Grant	Venture Capital	Loan
Source	"Government agencies "e.g. MTDC, SME Corp	"Government, Private "e.g. MAVCAP, MTDC, CIMB PE	"Government, Private "e.g. MDV, Maybank
Goal	"Completion of IP creation "Commercialization	"Returns \$\$\$	"Repayment \$\$\$
Duration	"1-2 years	"3 – 5 years	"1 – 10 years
Payback	"Only if defaulted	"Upon exit or as mutually agreed "IPO, Trade Sale, Shareholder Buy-back	"Monthly installment
Reporting	"Milestone or Reimbursement basis	"Monthly updates "Representation on the Board of Directors	"Monthly/Quarterly updates
Upsides	"No equity dilution "Zero/minimal cost	"Hands-on approach	"No equity dilution
Downsides	"Bureaucracy "Specific items "Hands-off approach	"Equity dilution "Expensive cost of financing	"Need track record "Collaterals "Hands-off approach

OSP3 & CVC Program



\$50 million fund was launched in 2014 and has made 5 investments to date, including those in Malaysia, Indonesia, US and Turkey.



Fund size has doubled to \$20 million due to high demand from investors (incl. Genting). MAVCAP is the single largest investor and has 1 dedicated person in the fund. Fund has made 50 investments so far in Malaysia and in the region.



MAVCAP invested \$3 million in this \$100 million (raised US\$38 million to-date) global fund. Fund 3 has invested in 274 companies to-date.



MAVCAP committed RM20 million into this RM100 million fund (secured RM70 million to-date) in partnership with regional telco, Axiata Group. **Axiata Digital Innovation Fund (ADIF)** will invest in Malaysian-incorporated tech companies with strong traction that can leverage on Axiata's 250 million subscriber base. **70% of the fund is also earmarked for Bumiputera tech companies., subject to rigorous evaluation.**

OSP3 & CVC Program



Gobi \$200 million China & SEA Fund will start operating soon. To focus in tech companies in China and SEA. MAVCAP invested \$25 million and participates in investment decisions for SEA investments. MAVCAP is working on connecting Malaysian companies to China and vice versa.



Catcha Fund focuses on tech companies in Malaysia and Asean. MAVCAP will invest \$3 million into the Fund, and will second an employee into the Fund.

(Work-In-Progress)

A potential RM80 million fund in which MAVCAP will be managing with an international partner. Fund to focus in seed/early stage tech companies in Malaysia and SEA.

Thank You