

## **Southeast Asia-focused VC funds end 12-month growth streak for capital raising**

**SINGAPORE, May 19, 2020** — Southeast Asia-focused venture capital (VC) funds accumulated US\$1.3 billion in additional dry powder in the first three months of 2020. That ended a year-long streak of quarter-on-quarter growth as final closes slowed to a crawl, according to DealStreetAsia's latest report, [Southeast Asia's VC Funds: Q1 2020 Review](#).

Data compiled by DealStreetAsia shows that the amount of capital committed for interim and final fund closes reported between January and March 2020 fell 47 per cent from the fourth quarter of 2019. Still, that was more than triple the value recorded in the same period a year ago.

Of the 10 funds that achieved fund closes during the quarter, five reached a final close after securing a combined US\$330 million in capital, while the remaining five raised US\$996 million in interim closes in total. Funds run by VC firms headquartered in the region contributed 77 per cent of the total amount raised, with the rest coming from foreign VCs investing in Southeast Asian countries.

### **Singapore, Indonesia key capital-raising markets**

As home to Southeast Asia's leading VC firms, Singapore and Indonesia dominated the VC fundraising market with total fund closings of US\$865 million and US\$161 million, respectively. No closes were recorded by VC funds based in Malaysia, Thailand, Vietnam and Cambodia.

The top three Singaporean VC firms in terms of capital raised in the first quarter were B Capital (US\$600 million), Vickers Venture Partners (US\$200 million) and Credence Partners (US\$50 million). Three Indonesian VC firms raised funds in the first quarter: BRI Ventures with US\$136 million, OCBC Ventura NISP (US\$15 million) and Indogen Capital (US\$10 million).

Despite the slower pace of capital raising in the first quarter, funds retain ample dry powder for investing in Southeast Asian startups. Based on venture funds that reached a final close in the last four quarters, Southeast Asia-focused VCs are armed with about US\$5.8 billion of committed capital.

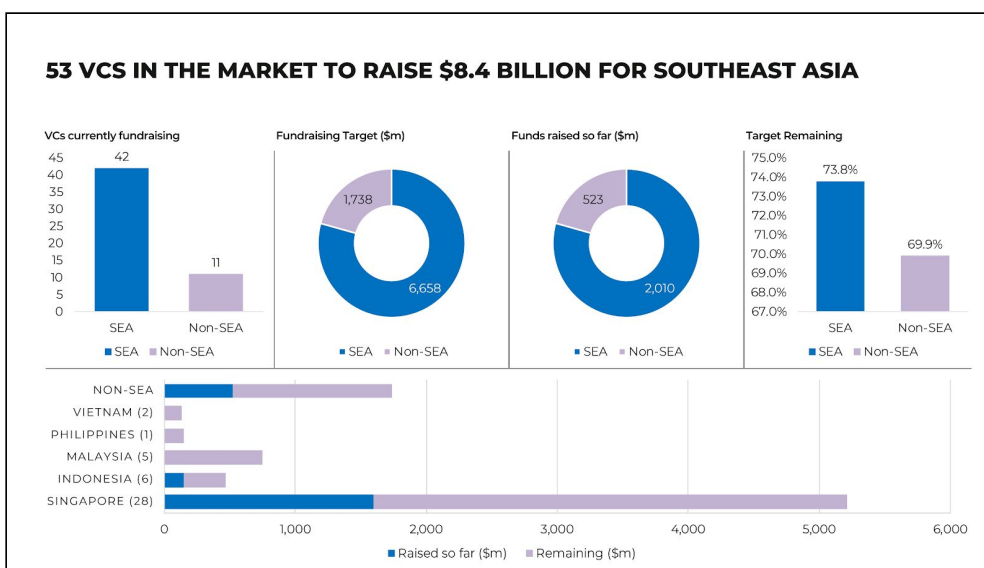
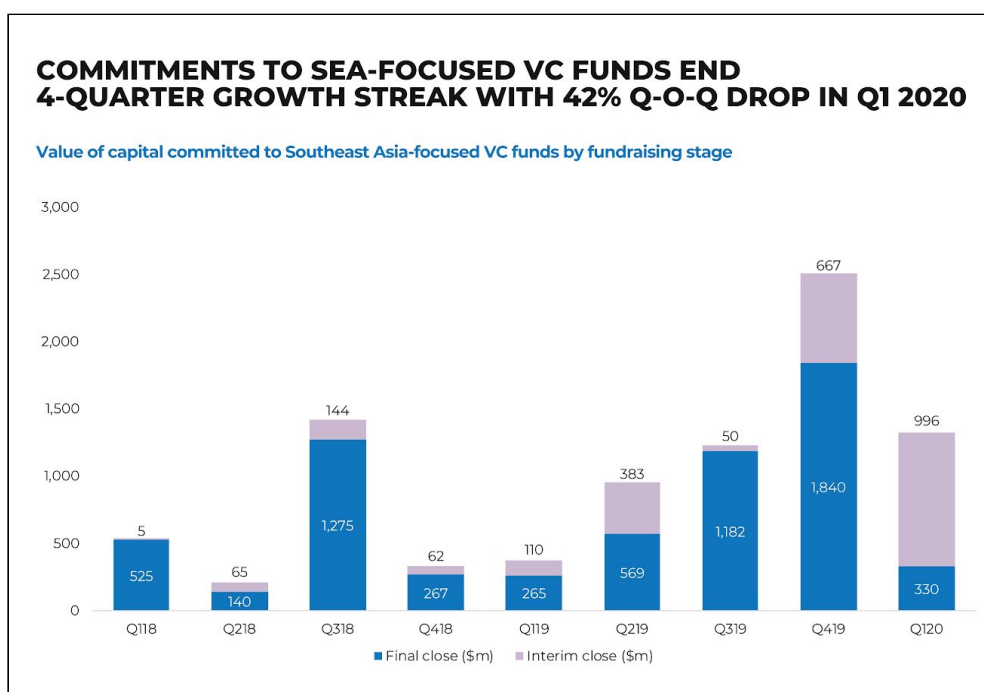
Beyond fund closings, 53 VC firms are currently in the market to raise US\$8.4 billion for Southeast Asia-focused funds, of which about 30 per cent have been secured. The largest funds in the market are Vanda Global Capital's US\$1.5 billion Agritech fund; B Capital's US\$750 million Fund II; and Vickers Venture's US\$500 million Fund VI.

## Challenging times ahead

The capital-raising outlook for the region's venture funds is expected to worsen in the coming months as the full impact of the Covid-19 pandemic starts to make its way into the numbers.

"The first-quarter fundraising performance does not reflect the true impact of the Covid-19 pandemic. This is simply because most of the capital committed by investors to VCs in the first quarter was actually solicited before the region began to tighten social distancing measures and impose travel restrictions in April," said Andi Haswidi, the head of Asean market research at DealStreetAsia.

"Having looked at the data and spoken with industry stakeholders, we believe fundraising is going to be more challenging in the second quarter onwards as investors' risk appetites shrunk. Fund managers are also careful about deploying their dry powder, which could weigh on tech startup valuations despite investors' loaded war chests."



More details and insights are available in the report at:

<https://www.dealstreetasia.com/reports/se-asias-vc-funds-q1-2020-review>

### **More about DealStreetAsia**

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We provide deals data, intelligence, and perspective on some of Asia's most opaque markets to international and regional investors. We also track startups that are disrupting the status quo and playing an important role in the evolution of one of the fastest-growing regions of the world.

Contact:

**Andi Haswidi**

Head of Research, Asean

[andi@dealstreetasia.com](mailto:andi@dealstreetasia.com)

+62 811231431

Subscriptions:

**Melvin Chew**

Manager, Subscription and Business Development

[subs@dealstreetasia.com](mailto:subs@dealstreetasia.com)

+65 8323 2465

