

## TR Capital Podcast-The Rise of Southeast Asia

TR 资本播客：东南亚的崛起

### Nathan Lee 00:00

Hello, everyone. I'm Nathan Lee and welcome back to our podcast series *In Conversation with TR Capital*. In this series, we share what we're seeing at the frontline of investing in Asia and discuss the outlook for opportunities in the Asia secondaries market. At TR Capital, we have just announced the opening of our fifth office in the region, this time in Singapore. So it is only fitting that we discuss why we're so excited about Singapore and the investment opportunities in Southeast Asia more broadly. I'm here today with Paul Robine, founder and CEO of TR Capital, and Nigel Ng, vice president in our investment team, who will share their thoughts on this and more.

大家好，我是李子康（Nathan Lee），欢迎收听“与 TR 资本对话 (In Conversation with TR Capital)”。我们将在本播客系列中分享 TR 资本在亚洲投资前线的所见所闻，探讨亚洲二级私募股权市场的发展潜力。TR 资本刚刚宣布了第五个亚洲办事处的设立，新办事处落地在新加坡。今天，我们便借此机会讨论我们对新加坡及更广泛东南亚投资机会的兴趣和见解。在本期节目中，TR 资本创始人和首席执行官，罗宝（Paul Robine）以及 TR 资本投资团队副总裁黄颖杰（Nigel Ng）将同我们一起交流，分享关于此话题的更多看法。

TR is no newcomer to investing in Southeast Asia and has already made several investments in companies based in the region. Paul, could you explain to us what the catalyst was for TR to set up in the city state right now?

TR 资本对东南亚投资领域并不陌生，并且已经对该地区的公司进行了多次投资。Paul，您能否向我们分享一下，是什么原因促成 TR 资本现在在该地区成立办事处？

### Paul Robine 00:58

Thanks Nathan.

感谢 Nathan。

As the leader in Asian secondaries investments, having an office in Singapore is essential. It is a natural next step in TR Capital's growth story. We have been investing in the region for 14 years. TR Capital has now two **flagship offices** in Hong Kong and Singapore with additional offices in Shanghai, Shenzhen and Mumbai. We are proud to be the only secondary private equity firm to have five offices in Asia ex-Japan. Currently, we are managing USD1.2 billion in AUM and because we expect to reach USD2 billion soon, we need to be deeply rooted on the ground with local team and local offices in each of our markets. Historically, China and India have been our two biggest geographies due to the depths of their secondary markets. But Southeast Asia is catching up for three main reasons. First, Singapore is the hub for many VC and growth capital funds who are created 5 to 10 years ago. These funds invested in innovative companies that were start-ups 5 years ago. Today, some of these companies have grown and become established leaders. At TR Capital, we identify high quality companies that are innovative and growing fast, but also where some investors want to sell and get some liquidity. We use a secondary approach to invest in these companies. This has two advantages. It reduces our risk, and it reduces our investment duration. We see huge potential in the secondary private equity market in Singapore. TR Capital is perfectly positioned to capture this as a provider of liquidity solutions. In fact, Southeast Asia is seeing the first generation of private equity funds in the primary market moving closer to the end of their terms.

作为亚洲二级市场投资的领导者，设立新加坡办事处至关重要。这是 TR 资本发展历程中水到渠成的一步。我们已经在亚洲地区拥有 14 年的投资经验。TR 资本目前在香港和新加坡设有两个大型

办事处，并在上海、深圳和孟买也设有办事处。我们很自豪能成为唯一一家在日本以外亚洲地区设有五个办事处的二级私募股权公司。目前，我们管理着 12 亿美元规模的资产，并预计很快将达到 20 亿美元；因此 TR 资本需要在每个市场都拥有当地团队和当地办事处。从历史角度来看，由于二级市场的发展程度较为领先，中国和印度一直是我们认为具有潜力的两个最大地区；但东南亚正在迎头赶上，主要有以下三个原因。首先，5 到 10 年前许多风险投资企业以及初创投资基金把新加坡作为它们的**创始基地**。这些资金在 5 年前投资于刚刚起步的创新企业。到今天，其中一些公司已经发展壮大并成为知名的行业领导者。从 TR 资本的角度出发，我们认同这些具有创新性和快速增长的优质公司，但也有一些投资者希望出售这些资产并藉此获得流动性。通过二级私募股权市场来投资这些企业有以下两个优点：其一，它降低了我们的风险，也缩短了我们的投资期限。我们看到新加坡作为二级私募股权市场的巨大发展潜力。作为流动性解决方案的提供者，TR 资本完全有能力抓住这个巨大的发展机会。事实上，东南亚一级市场的第一代私募股权基金正面临到期。

The second reason for the rise of Southeast Asia is the rapid development of the local secondary market. Three years of pandemic-related travel restrictions across Asia have raised a barrier to entry for active secondary investors. It demonstrated the need to have local teams on the ground to source, execute and monitor deals. This is the number one reason why we have opened our Singapore office.

东南亚崛起的第二个原因是当地二级私募股权市场的快速发展。近三年以来，由于亚洲地区新冠疫情所带来的旅行限制，主动型二级市场投资者的准入门槛进一步提高。这恰好说明让当地团队在当地寻找投资项目、执行并监控交易的必要性，这也是我们开设新加坡办事处的首要原因。

The third and final reason for the growth in Southeast Asia is local market dynamics. The private equity market in Southeast Asia reached an all-time high of USD25 billion, in deal value in 2021. This is more than doubled the 2020 figure. This demonstrates a need for secondary players like TR Capital, the mix of fewer IPOs in Southeast Asia and a global slowdown in the economy are appealing conditions for secondaries investments.

东南亚崛起的第三个也是最后一个原因是当地的市场动态。东南亚私募股权市场在 2021 年创下 250 亿美元的交易量历史新高，价值是 2020 年的两倍多。这说明市场对 TR 资本等二级参与者的需求在不断提升；东南亚 IPO 数量减少以及全球经济放缓等因素使二级市场投资更具吸引力。

#### **Nathan Lee 04:08**

Thanks Paul. Could you explain a bit more about what you mean by "growing exit overhang"? How is this phenomenon reflected in private equity markets in other parts of Asia?

谢谢 Paul。您能否进一步解释一下“投资项目待退出的需求持续上升”是什么意思？这种现象如何反映在亚洲其他地区的私募股权市场中？

#### **Paul Robine 04:19**

I'm talking here about an environment where the pace of investments is higher than the pace of exits and distributions. In Asia, we are seeing continued growth of the private equity market alongside extended time horizons for companies to exit. This combination of factors produces what we call an "exit overhang". There is growth and innovation in Asia, but also a huge lack of distributions across private equity funds. DPI figures are low, so there is a need for secondary investors.

这里要说的是投资进度快于退出和分配进度的大环境。在亚洲，私募股权市场持续增长，被投资公司退出时机延后——这些因素相结合，便产生了我们所说的“投资项目待退出的需求持续上升”的

现象。亚洲地区充满经济增长和创新活力，但私募股权基金向有限合伙人（LP）的分配严重缺乏；DPI 数据较低，因此需要二级市场投资者。

To give a bit more context, over the past decade, the private equity market in Asia has exploded in size. According to the Bain study I mentioned earlier, from 2010 to 2020, Asia private equity and venture capital funds raised a massive USD1.6 trillion in assets under management. That is 6 times larger than the amount raised in the previous decade.

再多提一点：在过去十年中，亚洲的私募股权市场规模呈爆炸式增长。根据我之前提到的贝恩研究报告，从 2010 年到 2020 年，亚洲私募股权和风险投资基金筹集了 1.6 万亿美元的巨额资产。这比上一个十年筹集的金额高 6 倍。

As a result of this increased flow of capital into Asia private equity, companies have remained private for longer. The availability of growth capital removed the need for companies to tap public markets for further funding, and gave them the room to gain significant scale before attempting an IPO. In fact, according to Preqin data, as of the end of 2020, the value of unrealized assets held by Asian private equity funds, 6 years or older was USD523 billion. That's more than double the figure in 2018. What's more in 2021? Exit volumes as a percentage of investment volume in the Asia private equity market stood at 58%. This is significantly behind the 85% recorded in the global private equity market. It's not difficult to conclude that Asian private equity funds are under increasing pressure to return capital to their limited partners. That's where secondaries investors come in.

由于流入亚洲私募股权的资本增加，公司得以维持私有化更长时间。更多成长期私募投资者的涌入消除了公司从公开市场获得更多资金的需求，并为这些公司提供了在尝试 IPO 之前进一步发展的空间。事实上，根据睿勤（Preqin）的数据显示，截至 2020 年底，亚洲私募股权基金持有 6 年及以上未变现资产的总价值达到 5230 亿美元。是 2018 年同比数据的两倍多。2021 年还有什么现象？亚洲私募股权市场的退出量占投资量的比例仅为 58%，大大落后于全球私募股权市场的 85%。不难得出结论，亚洲私募股权基金正面临越来越大的向有限合伙人（LP）返还资本的压力。这就是需要二级市场投资者的原因。

While the secondary market has been growing in other parts of the region for some time. We are seeing the same market dynamics starting to show in Southeast Asia. At TR Capital, our strategy is centred around making investments in innovative and established leaders from the technology, consumer and healthcare sectors. It is exactly in these sectors that we will see the biggest secondary opportunities here in Southeast Asia.

这段时间以来，亚洲其他地区的二级市场也在持续增长。我们看到东南亚开始出现同样的市场动向。TR 资本重点投资于科技、消费者和医疗领域的创新者及成熟的行业领导者。正是在这些领域，我们将在东南亚市场看到最大的二级投资机会。

Given our active investment style, we want to be close to this action. We have always placed importance on having local offices run on the ground by strong local teams. Our new office in Singapore positions us well to capture opportunities in Southeast Asia, while at the same time, complementing our investments in China and India?

鉴于我们主动型的投资风格，我们希望和东南亚二级市场有更紧密的联系。TR 资本一直重视由强大的当地团队在当地运营办事处。我们在新加坡设立新办事处，也旨在抓住东南亚的机会，同时补充我们在中国和印度的投资。

**Nathan Lee 07:28**

That's really interesting. Could you share some more about the team in Singapore and how you see that developing?

这真的非常有趣。您能否分享更多关于新加坡团队的信息？以及您如何看待该团队的发展。

**Paul Robine 07:34**

Opening our Singapore flagship office is a big opportunity for TR Capital, and the reason I'm currently based in this beautiful green city. With me on the ground is Nigel Ng, Vice President in TR Capital's investment team and a native Singaporean. He's also a TR veteran who joined us as part of the TR academy investment program and grew to a senior investment professional. Nigel has come back to his home country to lead our Singapore expansion. He will help us build out the team locally, which we aim to double by the end of the year. We currently have 30 people across all five offices. We expect to build a team of ten in the Singapore office alone.

开设新加坡办事处对 TR 资本来说是一个巨大的机会，也是我目前驻扎在这座美丽的绿色城市的原因。与我同在的还有 TR 资本投资团队的副总裁黄颖杰（Nigel Ng），他是新加坡人，同时他也是一名资深的 TR 人；Nigel 从 TR 学院投资计划加入我们，并成长为一名高级投资专业人士。现在 Nigel 已回到他的祖国，领导我们团队在新加坡的扩张，他将帮助我们在当地建立团队。我们的目标是到今年年底翻一番。TR 资本目前在五个办事处拥有总计 30 人的团队。我们预计，仅在新加坡办事处就可以组建一个 10 人团队。

**Nathan Lee 08:20**

Exciting news. And Nigel is also here with us today, thanks for joining us, Nigel.

真是令人振奋的消息！我们今天也邀请到了 Nigel，感谢你 Nigel。

**Nigel Ng 08:26**

Thanks Nathan, it's great to be back in my hometown.

感谢 Nathan，回到自己的家乡感觉真好。

**Nathan Lee 08:30**

We've heard from Paul about the dynamics that make a secondaries strategy a compelling way to capture upside in Southeast Asia. What about the underlying trends and market opportunities which make this region so compelling from an investment perspective? Nigel, as TR's Singapore lead, perhaps you could share your thoughts on this?

我们从 Paul 那里了解到了如何利用二级市场策略抓住东南亚的发展优势。从投资的角度来看，该地区如此引人注目的潜在趋势和市场机会究竟在哪里？Nigel，作为 TR 资本的新加坡负责人，也许你可以分享对此的看法？

**Nigel Ng 08:48**

Certainly, there's so much I could cover here, but I'll try to keep it short.

当然，这可能会涵盖很多内容，但我尽量长话短说。

Southeast Asia is an incredibly diverse and vibrant economy with strong structural growth drivers.

According to the World Economic Forum, ASEAN will become the world's fourth largest economy in the coming decade, with 70% of its population joining the middle class and a consumer market worth USD4 trillion.

东南亚是一个极其多样化且充满活力的经济体，具有强大的结构性增长动力。根据世界经济论坛的研究，东南亚国家联盟将在未来十年内成为全球第四大经济体，其 70%的人口将成为中产阶级，消费市场价值达 4 万亿美元。

Even before COVID-19, the region was seeing significant growth and new economy sectors, thanks to high rates of digital penetration. The pandemic has accelerated digital consumption, according to a report by Google, Bain and Temasek, about 40 million new internet users "came online" in 2021, bringing the total internet penetration level in Southeast Asia to 75%. In fact, eight out of ten of these internet users are also digital consumers, meaning they have made at least one purchase online. This is a huge opportunity for the digitization of businesses across industries, such as e-commerce, groceries, entertainment, ride-hailing and food delivery. Small business owners and merchants are embracing end-to-end digitization. According to a Google survey. In the next 5 years, eight in ten merchants in Southeast Asia anticipate that over half of their sales will come from online sources.

甚至在新冠疫情大流行之前，由于数字化普及率高，东南亚地区的新经济部门就出现了显著的增长。根据谷歌、贝恩和淡马锡共同撰写的报告，新冠疫情大流行加速了消费数字化：2021 年约有 4000 万新互联网用户接触互联网，使东南亚的互联网总普及率达到 75%。事实上，这些互联网用户中有十分之八也是数字消费者，这意味着他们至少在网上消费过一次。这对于电子商务、食品杂货、娱乐、打车和食品配送等行业的企业数字化进程来说是一个巨大的机会。小企业主和商家正在接受端到端的数字化经营模式。根据谷歌的一项调查。未来 5 年，东南亚十分之八的商家预计其一半以上的销售额将来自于在线渠道。

With all these trends, it is not surprising that deal volumes in the region are at the highest levels we have seen in recent years. And it's Southeast Asia's tech champions that are driving growth. The number of consumer technology companies with a valuation of USD1 billion or more has grown from 12 in 2020 to 23 in 2021. The pandemic's acceleration of digital adoption has also multiplied the number of companies in this category. While the investing landscape in the region is predominantly dominated by growth deals, typically backed by VCs, exit paths for such companies are less proven than for their Chinese and Indian counterparts.

鉴于这些趋势，东南亚地区的交易量达到近年最高水平也就不足为奇了。科技领军企业推动着东南亚的快速发展。估值 10 亿美元或以上的消费科技公司数量从 2020 年的 12 家增长到 2021 年的 23 家。新冠疫情大流行使数字化加速普及，也使该类别的公司数量成倍增加。尽管该地区的投资格局主要由成长型交易主导，通常由风投支持，但此类公司的退出路径与中国和印度的同类公司相比较少。

So I'm very excited to have moved back to Singapore to start connecting with companies and GPs on the ground. In fact, I can really see a lot of interest from local GP counterparts in exploring secondaries as an avenue for exits.

所以我很高兴能回到新加坡，开始与当地的公司和普通合伙人（GP）们建立联系。事实上，我的确观察到当地合伙人同行们对于探索二级市场作为退出途径的浓厚兴趣。

### **Paul Robine 11:13**

Thanks, Nigel. With TR Capital's target investments focused on the technology, consumer and healthcare sectors, we're excited with the opportunity we have in Southeast Asia. There is a lot of potential and we are looking forward to building up our local portfolio further. On that note, I would like to flag that if any listeners are young investment professionals hungry for an opportunity to get exposure to investing in

the Singapore market. Please get in touch. Nigel and I are always keen to hear from potential new team members. We, TR Capital are excited to build our Southeast Asia presence in Singapore.

谢谢 Nigel。TR 资本旨在投资于科技、新消费和医疗领域，我们对东南亚市场的巨大机会感到十分兴奋。这里有很多的潜在机会等待发掘，我们也期待进一步在当地建立投资组合。在此我想提议，如果有听众是年轻的投资专业人士，且渴望有机会接触新加坡市场的投资，请与我们联系。Nigel 和我总是渴望了解潜在新团队成员的意见。TR 资本很高兴在新加坡创立我们的东南亚业务。

**Nathan Lee 11:57**

This is all for today. I hope you have enjoyed listening to our podcast. We look forward to talking to you again soon in the next episode of our series *In Conversation with TR Capital*.

以上就是今天的全部内容，希望您喜欢这期播客。我们期待在本系列的下一集“与 TR 资本对话”再次与您交流。

Thank you.

谢谢。