

## Navis closes \$1.2b on next fund

### NAVIS CAPITAL PARTNERS HAS CLOSED

its \$1.2 billion **Navis** Asia Fund VI, a vehicle that surpassed Navis' original \$1 billion target fund size and further outpaced its preceding Navis V fund, which raised \$1 billion in 2007.

Navis originally set the fund's target at \$1.75 billion, but that figure was revised by December 2008 to \$1 billion following the onset of the global financial crisis.

"We launched the fund just prior to the GFC, which was obviously a fair-weather time. But our fundraising came head-to-head with the GFC, and since then it has been as difficult as it could be to fundraise," Rodney Muse, Managing Partner at Navis, told *AVCJ*. "The amount of due diligence LPs are doing and the rigour of their decision-making are greater than ever before, both of which are good things in our view, but it's been a long and challenging process."

Capital came from a mix of existing investors as well as new institutions and global consultants. The geographic breakdown was fairly evenly split among Asia, Europe and North America-based groups.

Muse estimated that 60% of the new fund will be focused on Southeast Asian targets, while the remainder will be spread across markets such as Australia, India and Greater China. They will be consistent in their \$50-100 million deal size. "We are seeing very good dealflow in all of our core markets particularly in Malaysia, Thailand and Singapore, and it's likely that we'll complete a transaction in one or two of those markets before the end of the year."

Navis has found a sweet spot in the market, catering to LPs who want exposure to Southeast Asia, but that feel individual country funds are too small, and difficult to manage because of this. Instead, diversified funds offer a more comfortable route to Southeast Asia. As the breakdown of LPs indicates, there is widespread interest around the globe for access to this growing region. Navis saw a nearly equal showing from groups out of Asia, Europe and North America, with several outliers from the Middle East.

"We believe that Southeast Asia is kind of a niche segment in and of itself and offers a pretty good risk reward profile, but is quite difficult to

access," Muse concluded. "In our view, it can be an excellent component of an Asia investment strategy and many LPs understand that." ▀



Nick Bloy, Navis co-founder, speaking at the 2009 AVCJ Conference in Hong Kong