



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

# Malaysia Co-investment Fund (MyCIF)

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Annual Report (Q4 2019 – Q4 2020)

## MyCIF in Numbers (Q4 2019 to Q4 2020)

**5,349**

ECF & P2P  
campaigns co-  
invested in

**1,197**

MSMEs which  
have received  
co-investment

**165M**

Total co-  
invested from  
initial RM100M  
allocation

**431M**

Private sector  
investments  
alongside MyCIF

**+1.9%**

Net return on  
capital from  
initial RM100M  
allocation

## Executive Summary

- After being announced in *Belanjawan 2019* with an initial RM50M allocation, MyCIF was **successfully operationalized and began disbursements in October 2019**.
- However the markets were soon hit by the COVID19 pandemic in early 2020. To sustain liquidity and investor confidence in the markets, MyCIF was able to **react quickly and made temporary adjustments** to up our co-investment criteria (from original 1:4 ratio to 1:2 ratio).
- Overall, MyCIF has had an immediate impact in **driving further awareness and growth** to the ECF and P2P markets. By the end of 2020, both markets have grown by 458% and ~20% respectively despite the pandemic. There has also been marked increase in overall number of successful campaigns and participating issuers in 2020.
- The temporary COVID19 adjustment, and strong growth of the overall ECF and P2P markets, further spurred by **additional allocation** of RM50M in *Belanjawan 2020*, bringing the total MyCIF allocation to RM100M.
- The fund remains healthy and had managed to generate a **small positive net return on capital in it's 1<sup>st</sup> year of operations**, primarily through returns from P2P, and despite one case of ECF investment write-off. Any returns and repayments received from MyCIF are plowed back to the market for further co-investment.
- With the pandemic coming under more control in 2021, the committee has decided to **return to the original co-investment criteria** (1:4 ratio) in order to benefit a wider pool of MSMEs given the limited amount of funds available.
- Moving forward MyCIF will **continue to co-invest and support initiatives to further widen the range of MSMEs** tapping the ECF and P2P markets for alternative financing. In 2021 the focus will be on MSMEs most badly hit by the pandemic, as well as sectors which are of strategic importance to the Malaysian economy recovery.

# Agenda

**1 ECF and P2P market update**

**2 MyCIF General and Social Enterprise update**

**3 MyCIF Committee Governance**

# Since inception, ECF and P2P financing have raised more than RM1.3 Bn benefitting >2,900 MSMEs

## ECF and P2P Financing as at 31 December 2020

**16,021**

**Successful deals**  
across ECF and P2P  
Financing

**ECF: 159 campaigns**  
**P2P: 15,862 campaigns**

**2,951**

**MSMEs successfully  
raised funds** via ECF  
and P2P

**ECF: 150 unique issuers**  
**P2P: 2,801 unique issuers**

**1.33B**

**Total funds raised** thus  
far across ECF and P2P

**ECF: RM 199.23 Mil**  
**P2P: RM 1.13 Bil**

**30.6k**

**Investors participating**  
in ECF and P2P\*

\* unique investors for both  
ECF and P2P

**83%**

Of participating  
**individual investors** are  
**retail** in ECF and P2P\*

\* unique investors for both  
ECF and P2P

**58%**

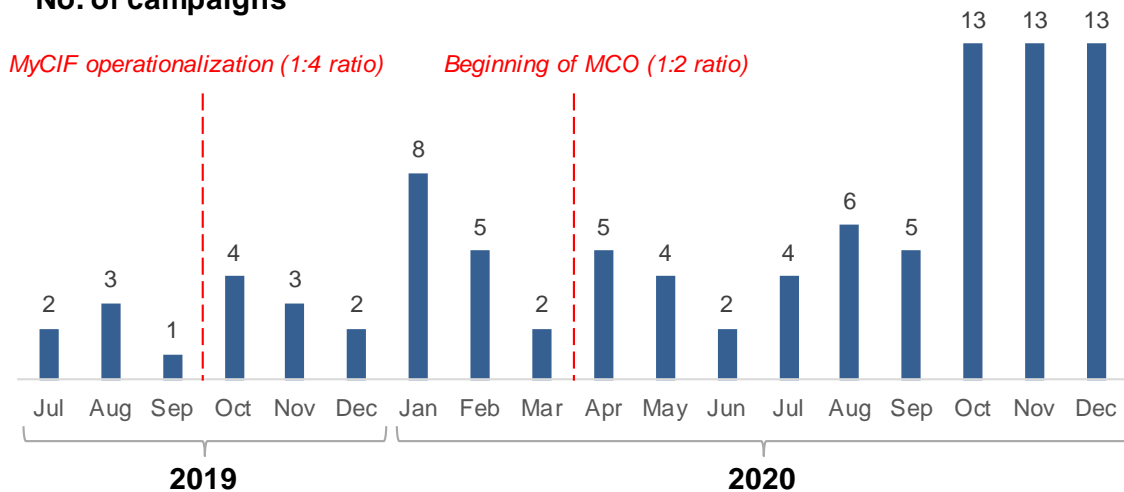
of participating  
**individual investors** are  
**below 35 years old\***

\* unique individual investors  
for both ECF and P2P

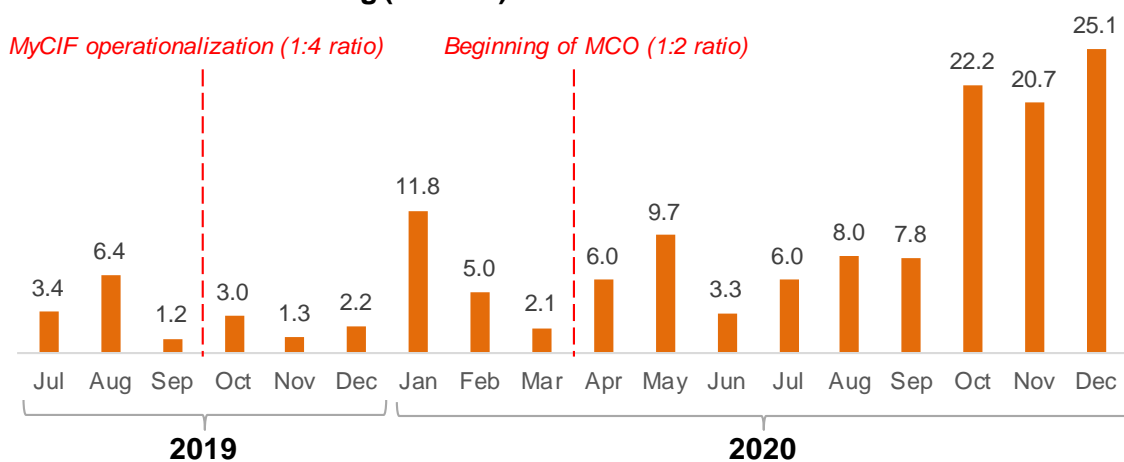
# Since the operationalisation of MyCIF and through out 2020, the ECF market had experienced a bumper year of significant growth

## ECF Market

### No. of campaigns



### Total amount of funding (RM 'mil)



Note: Data as at 31 Dec 2020

## Key Highlights

**80** Successful campaigns in 2020, compared to 28 campaigns in 2019

**458%** Growth in total fundraise from RM22.9 Mn in 2019 to RM127.7 Mn in 2020

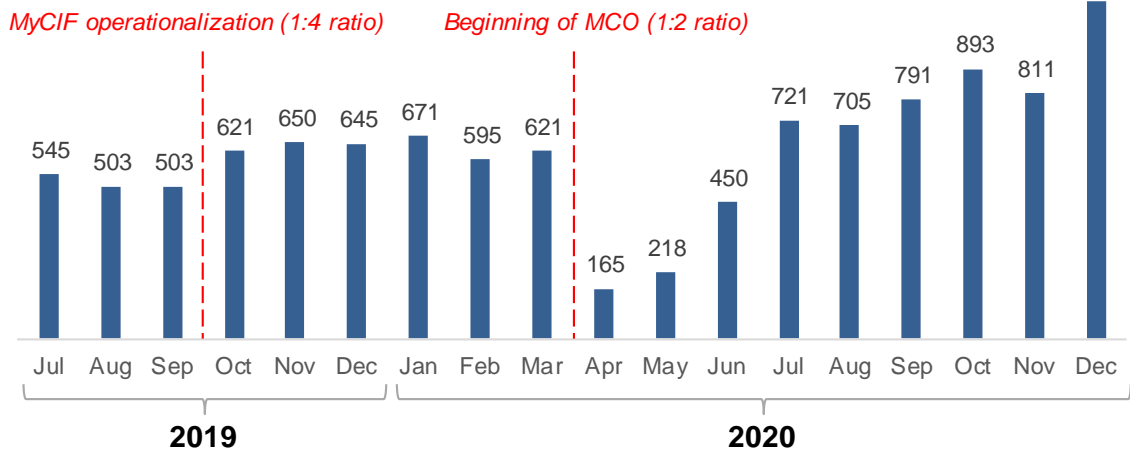
**1.6M** Average fundraising amount in 2020, compared to RM819k in 2019

**70%** Campaigns in 2020 have  $\leq 60$  investors  
 Smallest no. of investor: 2  
 Largest no. of investor: 479

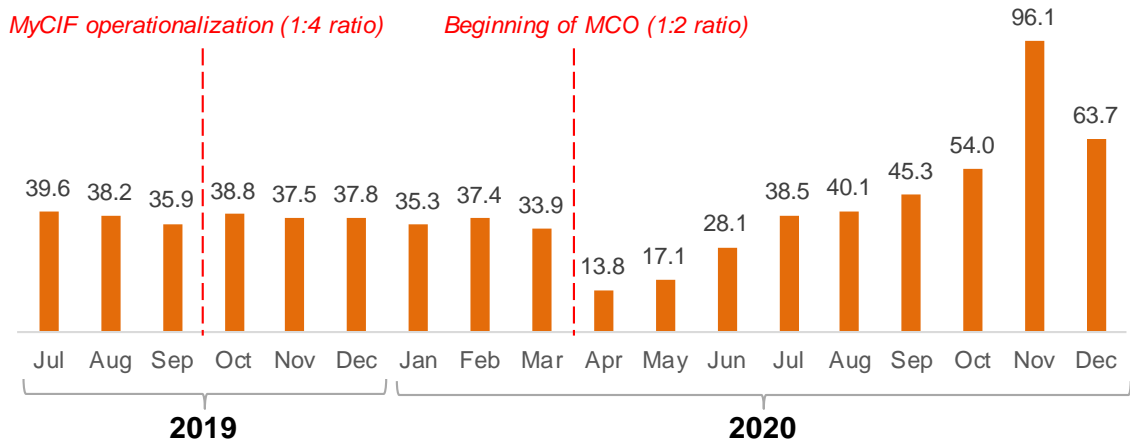
# After a sharp dip in April 2020, the P2P market has since recovered and shown growth in monthly fundraise volumes compared to 2019

## P2P Financing Market

### No. of campaigns



### Total amount of funding (RM 'mil)



Note: Data as at 31 Dec 2020

## Key Highlights

**7,760** Successful campaigns in 2020, compared to 5,583 campaigns in 2019

**20%** Growth in total fundraise from RM419 Mn in 2019 to RM503 Mn in 2020

**77%** Notes issued in 2020 are short term financing with tenor of 3 months or less

**12.7%** Average interest rate per annum for notes issued in 2020

**3.7%** Default rate as at end of December 2020

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**2 MyCIF General and Social Enterprise update**

3 MyCIF Committee Governance

# MyCIF has admitted 10 ECF operators and 9 P2P operators into the the MyCIF scheme

## ECF and P2P Financing Operators admitted to MyCIF

### ECF Operators



CrowdPlus.asia



FUNDNEL



CROWDO



### P2P Financing Operators





# The Committee has adopted the following Guiding Principles when allocating the money to our operators

## Guiding Principles for MyCIF Fund Allocation

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**Separate pots of money allocated for ECF and P2P Financing**

**First-come-first-serve until all allocated monies have been disbursed for the year**

**Periodic review of allocation and performance**

*Given uncertainties, allow operators to revise their proposal on a quarter-to-quarter basis*

**Maximise utilization of money**

Assume projections submitted are fairly accurate, but will need to take steps to mitigate idle money or overestimation on the RMO's part

**Reserve Management**

*Reserve funds will be invested in FD products – 1% from total funds will be allocated for operating expenditure; Idle funds will be placed in FD. FD tenure will be broken only in extraordinary circumstances.*

**Paring down of allocation in an event of insufficient money**

*In the event where total money requested is more than our available allocation, all things being equal MyCIF will be allocated based on a weighted distribution against all requests fairly.*

# By the end of 2020, MyCIF has finished disbursing the entire RM100M allocation for the General Scheme

## MyCIF Co-investment Criteria



Co-invest on **1:4 ratio** basis (RM1 for every RM4 raised from private investors)



**Maximum co-investment amount** is **RM1 mn** for each campaign

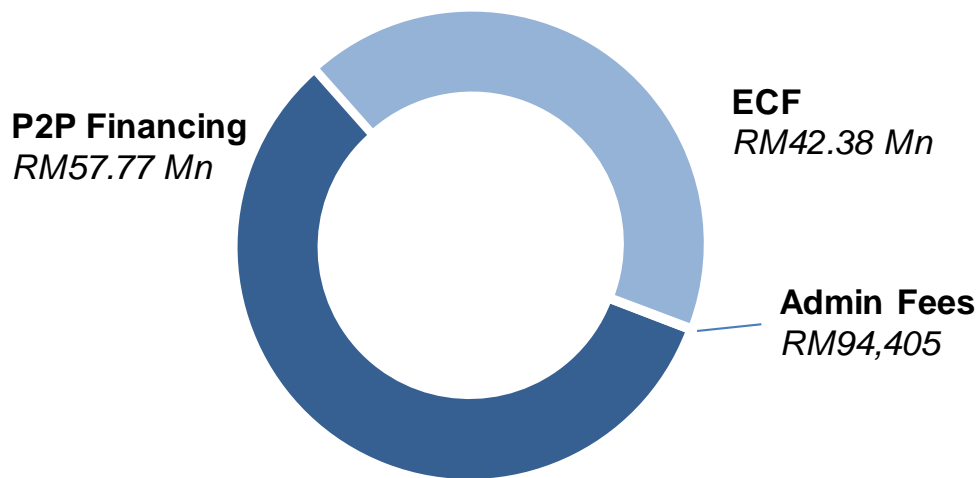


Co-investment is **open to all MSMEs**, with no sectoral bias

**Note:** From **3 April – 31 December 2020**, MyCIF General Scheme is providing temporary relief for its co-investment criteria to provide further support during the MCO period. During this time the co-investment ratio is 1:2 and the maximum co-investment amount per campaign is RM1 Mn.

## MyCIF General Scheme Disbursement

**100M** Received from MOF for MyCIF-General Scheme, and completely disbursed



**164.6M** Co-invested thus far across ECF and P2P Financing\*

\*Amount is larger than the original RM100 million due to continuous re-investment of P2P notes, and fixed deposit interest + ECF dividend.

**Note:** Data as at 31 December 2020; Refer to appendix for further breakdown

# In its first year of operations up to end-2020, MyCIF has generated a +1.93% return on its initial RM100M capital from MOF

## MyCIF rate of return (as at 31 December 2020)

<b>MyCIF Initial Capital</b>	<b>RM100,000,000.00</b>
<b>Gross return</b>	
1) ECF capital appreciation	RM0.00
2) ECF dividend (Preference shares)	RM54,609.20
3) P2P interest / return	RM2,609,234.07
4) Interest from fixed deposit / idle funds	RM273,942.92
<b>Total gross return</b>	<b>RM2,937,786.19</b>
<b>Losses and Fees</b>	
1) Administrative expenses	(RM94,405.00)
2) Written off ECF investment (FFC 3)	(RM160,000.00)
3) Defaulted P2P outstanding repayment	(RM756,156.72)
<b>Total losses and fees</b>	<b>(RM1,010,561.72)</b>
<b>Total net return on capital</b>	<b>RM1,927,224.47</b>
<b>% Net return on capital</b>	<b>+1.93%</b>

# From Q4 2019 until Q4 2020, MyCIF has co-invested in 92 SMEs via ECF platforms, benefiting a diverse range of companies

## Overview of MyCIF's ECF investments

## MyCIF ECF investment (Q4 2019 to Q4 2020)

**93**

Total no. of ECF campaigns MyCIF invested in

**68%**

Issuers are tech companies

**147.1M**

Total amount raised by these businesses

**42.4M**

Total amount of disbursement from MyCIF

**68%**

Issuers offered Ordinary share

**54%**

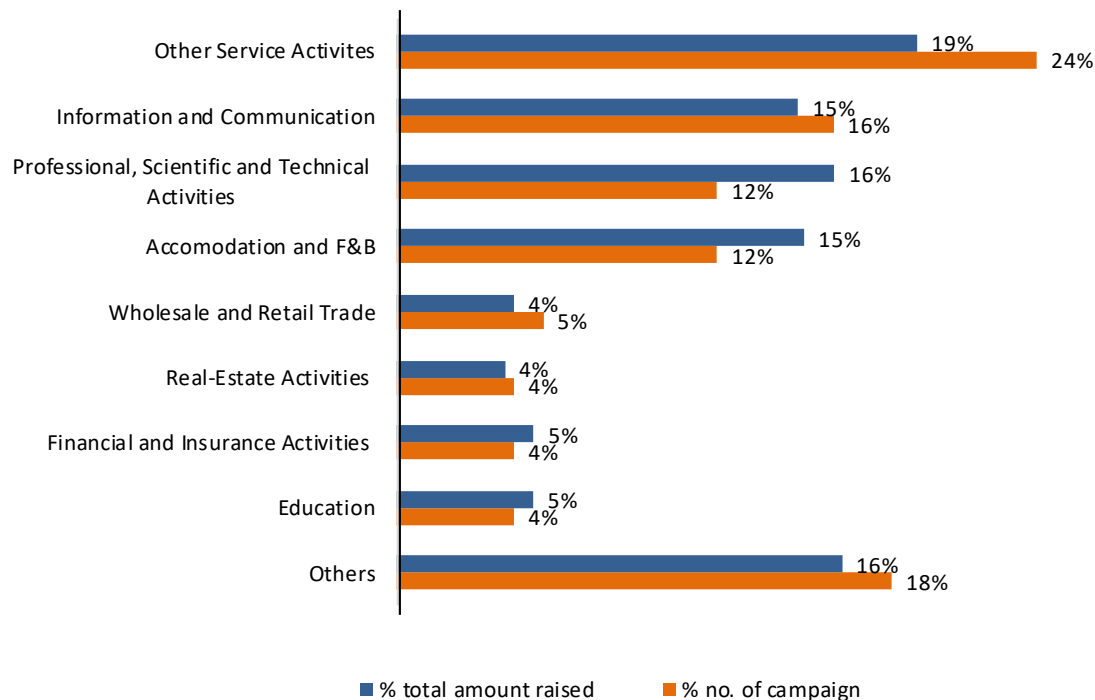
Less than 3 years of establishment

**49%**

Issuers have women or youth founders

**83%**

Fundraising for business expansion



\* Categories are based on SME Corp definition

**456k**

Average MyCIF co-investment amount (RM)

**76%**

Of issuers have less than RM2 Mn revenue base

**90%**

Based in Klang Valley (3.2% Pulau Pinang, 2.2% Johor)

**62%**

Of issuers have ≤ 10 employees

Note: Data as at 31 December 2020

Disclaimer: MyCIF invested in 92 companies across 93 campaigns. One issuer conducted 2 ECF campaigns

# Since inception until Q4 2020, MyCIF has also co-invested >RM122 Mn in 5,256 P2P Financing campaigns, benefitting >1,100 MSMEs

## Overview of MyCIF's P2P investments

## MyCIF P2P investment (Q4 2019 to Q4 2020)

**5,256**

Total no. of P2P campaigns MyCIF invested in

**1,105**

MSMEs' MyCIF co-invested in (*unique issuers*)

**448.4M**

Total amount raised by MyCIF notes

**122.3M**

Total amount of co-investment from MyCIF

**98%**

Of fundraising is for working capital

**83.7K**

Average fundraising for working capital

**9.9%**

Expected return for MyCIF

**0.6%**

Default rate of MyCIF notes



\* Categories are based on SME Corp definition

**23k**

Average MyCIF co-investment amount (RM)

**74%**

Of issuers have less than RM3 Mn revenue base

**63%**

Based in Klang Valley (14.8%  
Johor, 5.0%  
Pulau Pinang)

**73%**

Of issuers have ≤ 10 employees

Note: Data as at 31 December 2020

# Apart from MyCIF-General Scheme, there is also a separate allocation for the Social Enterprises (SE)

## MyCIF Social Enterprise Co-investment Criteria



MyCIF will invest in Social Enterprises which has been successfully accredited by MED / MaGIC's **Social Enterprise Accreditation (SE.A) programme**



MyCIF will **co-invest on a 1:1 basis**, i.e. MyCIF will co-invest RM1 for every RM1 successfully raised from private investors



**Maximum co-investment amount** is **RM500K** for each campaign



MyCIF will **forgo its share of interest / returns** in order to reduce the cost of financing for Social Enterprises

## MEDAC / MaGIC SE.A Programme

**9**

Number of Social Enterprise P2P campaigns MyCIF participated in

**5**

**Social Enterprises** which have requested for co-investment

**1.25M**

**Total amount disbursed** for P2P Social Enterprise investment notes

**139k**

**Average amount fundraised** by SEs via P2P campaigns

**Note:** During Belanjawan 2020, the government has allocated a separate RM10 million ringgit for MyCIF Social Enterprise scheme. MyCIF has received and is disbursing the first RM 5M

# The ECF and P2P operators have shown varied track record throughout the year (1/2)

## Track Record of Individual ECF Platforms (Q4 2019 to Q4 2020)

ECF Operators	# of campaigns	MyCIF Co-investment (RM)	Private investments (RM)
PitchIN	45	19.9 Mn	51.7 Mn
Ata Plus	16	8.2 Mn	18.0 Mn
Mystartr	10	4.5 Mn	12.3 Mn
Fundnel	8	4.6 Mn	10.5 Mn
Crowdo	5	2.7 Mn	5.5 Mn
Crowdplus	3	846 k	2.7 Mn
Leet Capital	2	645 k	1.3 Mn
Eureeca	2	635 k	1.9 Mn
Ethis Ventures	1	149 k	298 k
FundedbyMe	1	76 k	423 k

*Note: Data as at 31 December 2020*

# The ECF and P2P operators have shown varied track record throughout the year (2/2)

## Track Record of Individual P2P Platforms (Q4 2019 to Q4 2020)

P2P Operators	MyCIF Disbursement (RM)	MyCIF Co-investment (RM)	Private Investment (RM)
<b>Funding Societies</b>	22.00 Mn	66.51 Mn	176.36 Mn
<b>B2B Finpal</b>	13.40 Mn	27.3 Mn	68.97 Mn
<b>Fundaztic</b>	8.23 Mn	6.96 Mn	26.74 Mn
<b>CapBay</b>	6.00 Mn	15.03 Mn	30.40 Mn
<b>Money Save</b>	4.00 Mn	2.54 Mn	6.66 Mn
<b>QuickKash</b>	2.00 Mn	1.26 Mn	3.60 Mn
<b>Alixco</b>	1.95 Mn	2.38 Mn	12.87 Mn
<b>Micro LEAP</b>	983 k	256 k	520 k
<b>Cofundr</b>	206 k	5 k	15.2 k

*Note: Data as at 31 December 2020*



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# MyCIF is set up as a trust structure administered by the SC through the MyCIF Committee

## MyCIF Setup

- Funds allocated by MOF to MyCIF is directly injected into a trust account **custodised by Maybank Trustees Berhad**, with the Government as the ultimate beneficiary.
- The fund will be **administered by the SC through the MyCIF Committee**, consisting of 5 members.
- The Committee is tasked to:
  - 1) Monitor performance of the investment portfolio, including through investment performance reports from ECF and P2P operators
  - 2) Make periodic reporting of its investment and the progress of its partners and investees post-fundraising to the SC Chairman, and submit the report to the MOF
  - 3) Facilitate the distribution of investment returns based on criteria approved by MOF
  - 4) Provide relevant input to the MOF on the co-investment criteria that will be approved by the MOF
  - 5) Any other functions as may be required by the SC to ensure proper administration of the Fund

## Summary of Terms of Reference

<b>Sitting Fee</b>	<ul style="list-style-type: none"><li>• External members of the committee will be paid a sitting fee of RM2000 per meeting</li></ul>
<b>Appointment tenure</b>	<ul style="list-style-type: none"><li>• 2019 until end of 2021</li></ul>
<b>Frequency of meetings</b>	<ul style="list-style-type: none"><li>• At least 3 to 4 meetings each calendar year (<i>Additional meetings may be held at the discretion of the chair</i>)</li></ul>
<b>Quorum</b>	<ul style="list-style-type: none"><li>• The presence of 3 members of the Committee with at least 1 representative from the SC</li></ul>
<b>Decisions / Voting</b>	<ul style="list-style-type: none"><li>• A simple majority with affirmative vote is required to pass any decision</li></ul>
<b>Annual reporting</b>	<ul style="list-style-type: none"><li>• The MyCIF Committee will submit an annual report to MOF on performance of the investment portfolio and the progress of its RMOs and investees post-fundraising</li></ul>

# MyCIF Committee has held 4 meetings between Q4 2019 – Q4 2020 to discuss on the performance and direction of MyCIF

## MyCIF Committee



**Chin Wei Min**  
Chairman, MyCIF Committee  
Executive Director, SC



**Foo Lee Mei**  
Alternate Chair, MyCIF Committee  
Chief Regulatory Officer, SC



**Datuk Johan Mahmood Merican**  
Director, National Budget Office  
Ministry of Finance



**Rejina Abdul Rahim**  
Managing Director  
Nomura Asset Management  
Malaysia



**Thomas G. Tsao**  
Founding Partner  
Gobi Partners

## Meeting frequency and attendance

	Meeting #1	Meeting #2	Meeting #3	Meeting #4
	14 Jun 2019	7 Feb 2020	21 Jul 2020	11 Dec 2020
<b>Chin Wei Min</b>	✓	✓	✓	✓
<b>Foo Lee Mei</b>	✓	-	-	-
<b>Datuk Johan M. Merican</b>	-	✓	-	✓
<b>Rejina A. Rahim (RAR)</b>	✓	✓	✓	✓
<b>Thomas G. Tsao (TGT)</b>	✓	✓	✓	✓

*Note: Under the terms of reference, only RAR and TGT are entitled to receive sitting fee*

# Appendix

## As at Q4 2020, MyCIF has received RM100 Mn from the government and has fully disbursed the funds to ECF and P2P operators

The breakdown on MyCIF funds utilisation is as the following:

No.	Item	Amount disbursed
1)	ECF Disbursement	RM42,382,401.42
2)	P2P Disbursement	RM57,770,626.00
3)	Administrative expenses:	RM94,405.00
	<i>i) Legal fee</i>	<i>RM21,660.00</i>
	<i>ii) Trustee fee (RM30k p.a)</i>	<i>RM60,000.00</i>
	<i>iii) Sitting fee</i>	<i>RM12,000.00</i>
	<i>iv) Bank fee</i>	<i>RM745.00</i>
	<b>TOTAL</b>	<b>RM100,247,432.42</b>

## All repayments from P2P investments will be invested into new notes, enabling MyCIF to grow its investment from the initial deposit

### Total MyCIF Funds within the P2P platforms

No.	Items	Amount (RM)
1.	Deposit from MyCIF	RM57,770,626.00
2.	Principal repaid	RM77,165,481.91
3.	Interest received	RM2,609,234.07
4.	Interest from idle funds / rebate	RM50,445.20
<b>TOTAL</b>		<b>RM137,595,787.18</b>

### P2P Co-investment and cash balance

No.	Items	Amount (RM)
1.	MyCIF co-investment (Q4 2019 – Q4 2020)	RM122,258,574.59
2.	Cash balance	RM15,337,212.59
<b>TOTAL</b>		<b>RM137,595,787.18</b>

## Breakdown of ECF and P2P issuers sectors

Sector	ECF issuers	P2P issuers
Accommodation & Food Service Activities	11	63
Activities of Households as Employers; Undifferentiated Goods- And Services Producing Activities of Households for Own Use	0	1
Administrative and Support Service Activities	0	8
Agriculture, Forestry and Fishing	2	2
Arts, Entertainment and Recreation	3	3
Construction	1	74
Education	4	7
Electricity, Gas & Air Conditioning Supply	1	5
Financial and Insurance/Takaful Activities	4	1
Human Health and Social Work Activities	2	3
Information and Communication	15	22
Manufacturing	3	63
Mining and Quarrying	0	1
Other Service Activities	22	261
Professional, Scientific & Technical Activities	11	11
Real-Estate Activities	4	2
Transportation & Storage	3	23
Water Supply; Sewerage, Waste Management & Remediation Activities	2	2
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	4	553
<b>Total number of unique issuers</b>	<b>92</b>	<b>1105</b>