

SPECIAL FEATURE 2

MALAYSIA CO-INVESTMENT FUND (MyCIF):
SPURRING GROWTH AND ENHANCING
COMPETITIVENESS OF MSMEs

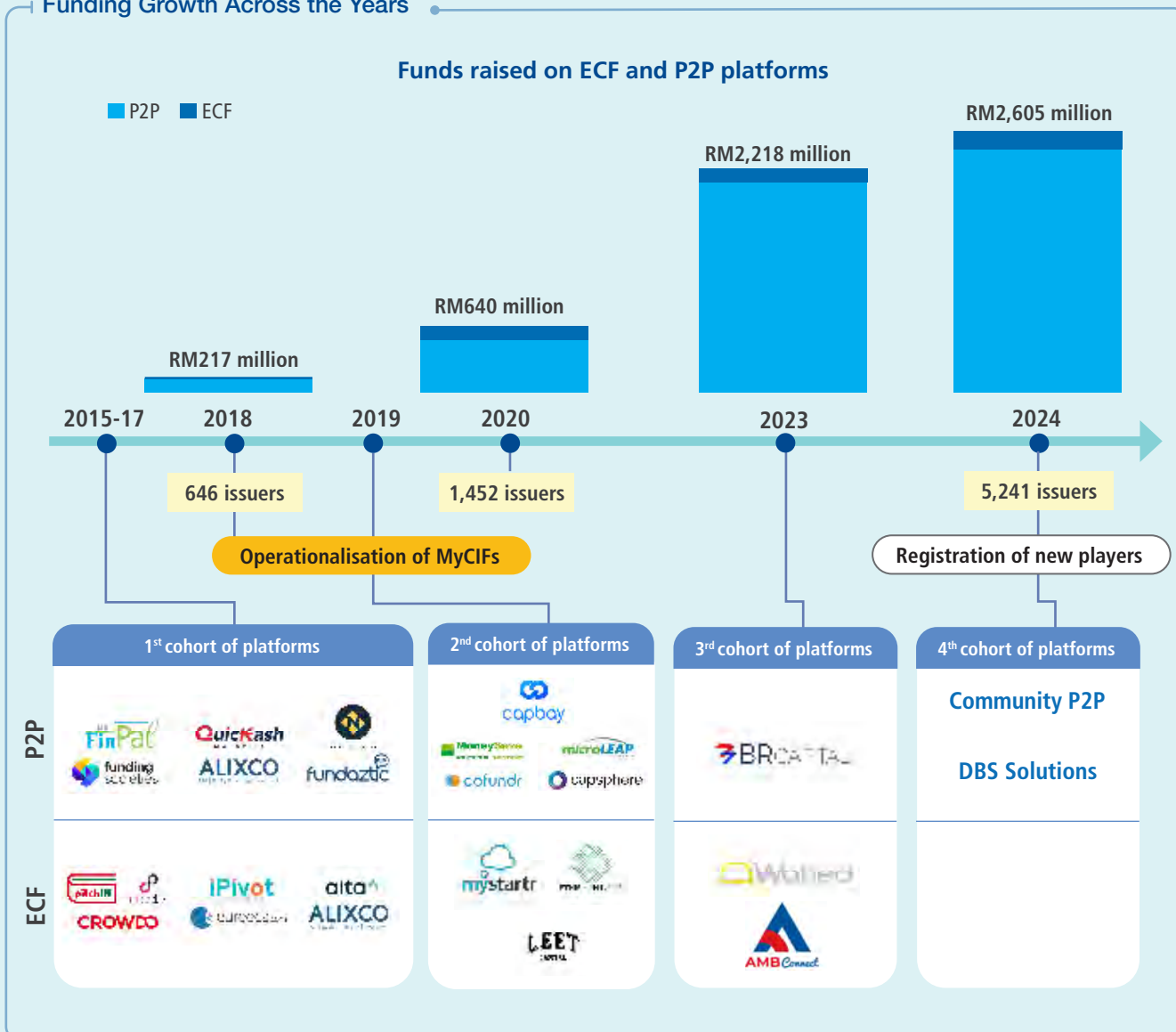
Celebrating MyCIF's 5-Year Journey

Introduction

Established in 2019, MyCIF has been a game-changer in financing for Malaysian MSMEs, through co-investing in ECF and P2P campaigns. MyCIF serves as a catalyst to the alternative financing space, bridging the funding gap for MSMEs and fostering growth across Malaysia.

INFOGRAPHIC 1

Funding Growth Across the Years

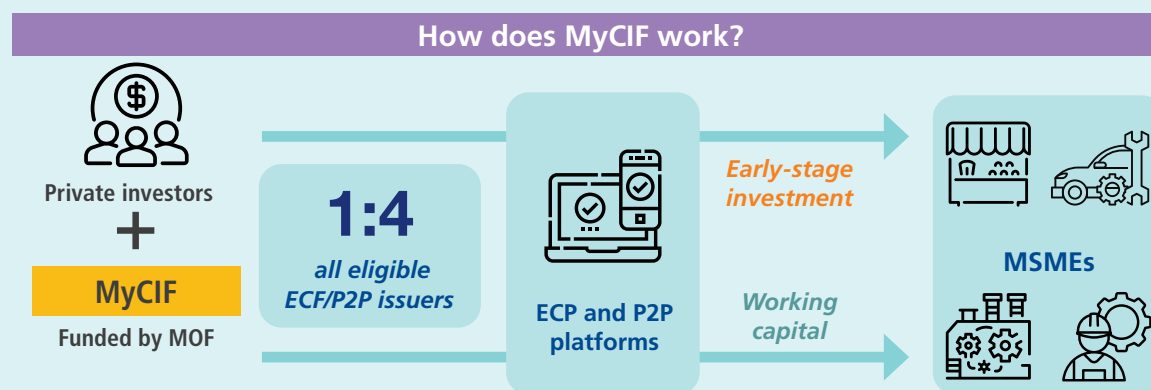


Co-Investment Mechanism as a Strategic Policy Tool

MyCIF's co-investment model is designed to incentivise growth in strategic segments, channelling investments to where they are needed most. By adjusting its co-investment ratio, MyCIF has supported strategic segments, such as food security and environmental, social and governance (ESG)-related industries. From 2020 to 2023, these sectors benefitted from enhanced ratios of 1:1 or 1:2 compared to the general 1:4¹.

INFOGRAPHIC 2

Co-Investment Ratios Tailored for Impact



Allocation of funds through strategic co-investment ratios



KEY STATS	Shoring Up Investor Confidence	
	4.1x Private investment growth from 2020-2024.	MyCIF passive co-investment model leverages public funds to drive private-sector involvement, with amplified impact. Government co-investing alongside the crowd boosts confidence and encourages private investments in MSMEs.
9,523 MSMEs benefitted since inception	Confidence in local MSMEs. Malaysian government has skin-in-game in the growth of local MSMEs.	Sustainable Funds Capital and returns are reinvested back into MyCIF for other MSMEs. RM1 from MyCIF is re-invested 9 times on P2P platforms.
	P2P	9x

¹ 1:4 ratio = MyCIF will invest RM1 for every RM4 successfully raised from private investors on the MyCIF participants' platforms.

Resilience Amid Crisis

Vital 'buoy' to empower MSMEs to stay afloat

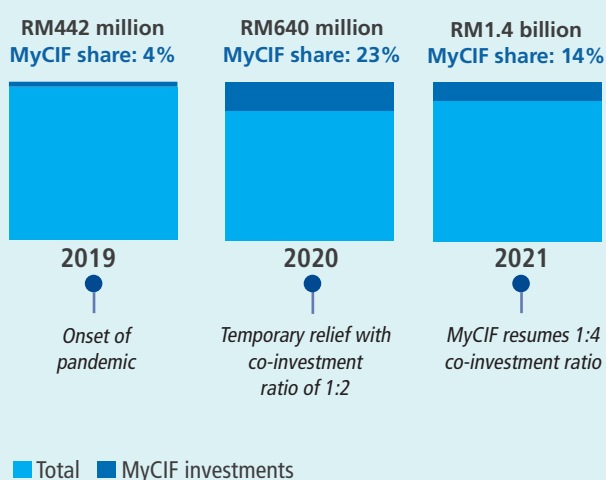
The pandemic posed unprecedented challenges to MSMEs, many of which struggled to stay afloat. In response to urgent needs, MyCIF stepped in to provide temporary relief by adjusting its co-investment ratio from 1:4 to 1:2, doubling its co-investment size. MyCIF support has provided MSMEs with much-needed financial lifelines, enabling them to weather the crisis and rebuild for a more sustainable future.

INFOGRAPHIC 3

Temporary relief addressing MSME financing needs during pandemic

MyCIF stepped in during the pandemic to support continued business growth and enable digital pivots by providing a temporary relief co-investment ratio of 1:2, doubling its co-investment size.

Share of MyCIF investments over total funds raised



Supporting continued business growth

"During the initial days of MCO, survival was our top priority as we set aside our growth plans. We are grateful for the support of Funding Societies and the MyCIF Social Enterprise programme, which provided us with lower-cost financing during the pandemic."
– Christopher Lim, iHandal Energy Solutions

"MyCIF via CapBay was crucial to us during the pandemic, fuelling our growth as an IT solutions company."
– Rajasekhar Gummadi, Nityo Infotech Malaysia


Enabling digital pivot during the pandemic

A brick and mortar 'pan mee' business, Meet Mee, pivoted to digital sales of instant pan mee. To support this shift, they fundraised approximately RM1.6 million via ECF and MyStartr.

A *pisang goreng* stall, Bunpah, which fundraised RM15 thousand via P2P on microLEAP, expanded to cater for online food delivery – after which, sales increased by 30%.

Aligning Investments with Strategic Growth Pillars

Through preferential co-investment ratios, MyCIF has guided investments into key national priority areas, such as food security, environmental and social impact segments. Notable businesses benefitting from MyCIF's preferential ratio include Aliyah Rizq Farm, with its successful expansion from 25 to 200 acres, tripling its livestock production. Likewise, iHandal Energy Solutions weathered pandemic challenges by leveraging MyCIF-backed investments for cost-effective operations, underscoring the fund's role in supporting businesses with sustainability goals.

Food Security	Social Enterprises	Environment (ESG)
8x Increase in agri issuers invested by MyCIF after implementation of 1:2 special ratio	7.1 million Amount (RM) co-invested in social enterprises by MyCIF since inception	Environmental-impact companies co-invested by MyCIF 

"MyCIF Strategic Schemes and Initiatives – Over the years, we have defined strategic allocation developed to cater to underserved and strategic segments to national development agenda."

– Dr. Wong Huei Ching, Chairperson, MyCIF Committee

Bridge to Future Funding and New Growth Horizons

MyCIF has helped to fuel the growth journey of 307 start-ups



Start-ups which started with MyCIF gained confidence for subsequent fundraising rounds on ECF.

16

companies secured multiple rounds of funding via MyCIF



MyCIF beneficiaries in ECF gained visibility from other investors including Venture Capital (VC).

39

companies obtained additional funding via VCs



MyCIF helps companies grow beyond domestic markets, establishing regional presence.

83

companies have regional presence



Speedrent Technology, a rental property platform, and Uni Enrol, a digital scholarship matching service, both went on to subsequent ECF fundraising rounds.



PolicyStreet, an insurtech startup, and Fefifo, an agritech startup, secured more than RM67 million and US\$3.1 million in additional VC funding respectively.



Angkasa X, a tech-social inclusion company, with presence across ASEAN, filed for listing on Nasdaq in 2023.

MyCIF Notable Divestments in ECF

Capital gains from notable exits are reinvested back into other MSMEs



LAPASAR
.COM

LAPASAR
2021
21.4%



NU VENDING®

NU VENDING
2023
19.7%



Wilstech®

WILSTECH
2024
174%

MyCIF has provided vital support for budding startups, bridging the gap to future funding and growth opportunities. It has enabled MSMEs to reach new markets, diversify revenue streams, and attract attention from larger investors, including VCs and PE firms. This enhanced visibility and credibility have paved the way for sustained expansion and innovation for MSMEs.

MyCIF Open Day 2024

To commemorate its five-year anniversary, a MyCIF Open Day, titled 'Genesis, Contribution and Future of MyCIF', was held on 8 April 2024 at the Asian Institute of Chartered Bankers (AICB) building. The event, which was graced by Senator Datuk Seri Amir Hamzah Azizan (Minister of Finance II), Datuk Johan Mahmood Merican (Secretary General of Treasury) and the SC Chairman, featured seven digital boards on a gallery walk with curated speakers guiding attendees through MyCIF's five-year contribution to the MSMEs. The event also unveiled two new incentives aimed at boosting MSMEs in the upstream segments of the agriculture and bio-economy sectors in support of the food security agenda.

Under the new incentives, effective from April 2024 until the end of 2025, MyCIF will:

- Invest at 0% financing rate in eligible P2P campaigns; and
- Forego dividend income from investments in eligible ECF campaigns.

The implementation of these incentives has led to a 105% increase in co-investments in the agriculture sector compared to the previous year. To support fundraising of *waqf* development via ECF and P2P financing platforms, new MyCIF incentives were also announced by Prime Minister Dato' Seri Anwar Ibrahim at the Global Forum on Islamic Economics and Finance (GFIEF) on 28 May 2024. This is to benefit MSMEs, undertaking *waqf*-related projects, especially in the development of *waqf* land in the upstream agriculture and bio-economy segments.



Release of MyCIF's Impact Investing Framework and Toolkit

As part of Budget 2024, MOF allocated RM100 million to MyCIF for a period of three years for impact investing in the focus areas of food security, environment, community, education and healthcare. This also includes funding development projects of *waqf* assets in these focus areas.



This strategic allocation forms part of a new MyCIF scheme, called the Environmental and Social Impact (ESI) scheme, which supersedes the earlier ESG Scheme launched in 2023 with a broader range of focus areas. The MyCIF Impact Investment Framework (Impact Framework) was subsequently released in July 2024 to facilitate MyCIF investments into ECF and P2P financing businesses that qualify under this ESI scheme. The Impact Framework sets out impact goals to be achieved in MyCIF focus areas, supported by a toolkit to help ECF and P2P financing businesses to measure their impact contribution.

Following the release of the ESI scheme, there were three campaigns that had successfully raised funds on ECF platforms with MyCIF co-investing a total of RM1.2 million.

 <p>EDUCATION & COMMUNITY</p> <p>DIA Academy Sdn Bhd (DIA – Dialogues Includes All) Experiential training centre offering dialogue in the dark exhibitions and training workshops, from the perspectives of individuals with special abilities. Its mission is to help future employers recognise unique strengths and challenges of these individuals.</p>	 <p>HEALTHCARE</p> <p>Ascension Innovation Sdn Bhd Champions accessibility, inclusivity and economic empowerment by rectifying systemic inefficiencies prevalent within public and private sectors of healthcare delivery. Its flagship product, aiCMS, employs technology to optimise clinical management processes for patient engagement and retention.</p>	 <p>ENVIRONMENT</p> <p>Telcov Sdn Bhd Offers innovative e-waste recycling solutions, including a proprietary mobile app that streamlines e-waste collection and rewards users with recovered precious metals. Telcov is authorised by the Department of Environment (DOE) to handle, treat and dispose 300 tons per month of e-waste materials.</p>
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MyCIF Strategies Schemes in 2024

Fortifying food security and creating environment and social impact.

Ongoing MyCIF initiatives		Schemes Implemented in 2024	
Announced in 2022	Agriculture Scheme	Enhanced initiative	Food Security Scheme
 <p>1:2 co-investment ratio to support ECF and P2P campaigns in agriculture-sector</p> <p>Primary agriculture activities as defined by SME Corp including crops, livestock, fishing and aquaculture.</p>		<p>From April 2024 to end of 2025, following additional incentives for upstream agriculture and bio-economy businesses:</p> <ol style="list-style-type: none"> 0% financing rate in eligible P2P campaigns; and Forego dividend income in eligible ECF campaigns <p>This includes fundraising campaigns for <i>waqf</i> asset development.</p>	
Announced in 2023	ESG Scheme	ESG Scheme replaced	Environmental and Social Impact Scheme
 <p>1:2 co-investment ratio to support ECF campaigns in strategic sustainability sectors</p> <ol style="list-style-type: none"> Renewable energy. Waste and water management. Circular economy. 		<p>Launched in July 2024, 1:2 co-investment ratio to support impact businesses in focus sectors (Environment, community, food security, education and healthcare)</p> <p>Also partnering with State Islamic Religious Councils (SIRCs) to fund development projects of <i>waqf</i> assets in focus sectors.</p>	

MyCIF's Significant Achievements

With a total allocation of RM260 million from the government since the inception of the fund, MyCIF has successfully co-invested RM1.19 billion in over 9,000 MSMEs, achieving a remarkable 4.1 times multiplier effect. This has attracted a total of RM4.92 billion in private investments, bringing the overall funds raised with MyCIF's support to RM6.11 billion.

From its inception, MyCIF had invested approximately RM126 million in 308 ECF campaigns and RM1.06 billion in 69,977 P2P campaigns.