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Khazanah Nasional's Dana Impak to launch initiatives to advance the national venture capital ecosystem

KUALA LUMPUR: Khazanah Nasional Berhad ("Khazanah") will launch the Emerging Fund Managers' Programme ("EMP") and the Regional Fund Managers' Initiative ("RMI") under the National Fund-of-Funds ("NFOF"). These initiatives follow the acquisition of Malaysia Venture Capital Management ("MAVCAP") and Penjana Kapital ("PK") by Khazanah in July this year.

Khazanah Managing Director Dato' Amirul Feisal Wan Zahir said, "With the launch of EMP, we aim to ensure the continued growth of our local VC fund managers, and we see the RMI as another critical step in our commitment to foster a dynamic VC ecosystem in Malaysia. As innovation is borderless, the availability of capital, talent and technology will determine the future of Malaysia. This is why the NFOF will focus on the creation of local champions under the EMP, while attracting international capital and partners. These efforts will enable the fusion of local and international expertise, perspectives and knowledge to spur a vibrant ecosystem that fuels progress and advancements."

The EMP represents a significant step under the NFOF in advancing Malaysia's VC and innovation ecosystem as the NFOF will anchor fundraising efforts of emerging local fund managers. With capital commitment from the NFOF, the programme aims to signal stronger confidence to prospective fund investors to invest in fund managers who have the potential to be regionally competitive.

Thereafter, the start-up ecosystem will benefit from crowding-in of private and other capital into these managers, which in turn will boost the presence of innovation-driven startups in Malaysia. Scheduled to commence in November 2024, the EMP will be opened to all Malaysian GPs, focusing on VC fund managers who are raising their first, second, or third fund – based in Malaysia or overseas.

The RMI on the other hand, represents the NFOF's initiative to attract international fund managers who are committed to enrich the ecosystem, including supporting the growth of Malaysian startups to be regional and global players, as well as facilitate the redomiciling of global companies in Malaysia to expand local job capabilities, attract talent and deepen innovation. Amongst others, the NFOF welcomes established venture generators to unearth new entrepreneurs and support the growth of existing ones.

Established international fund managers with global mandates can leverage their existing portfolio companies to create value and impact by expanding into Malaysia. This strategic move seeks to foster collaborative partnerships with Malaysian companies to pilot initiatives that would result in technology and know-how transfer with the aim to increase business productivity and efficiency.

The establishment of the NFOF is aligned to Khazanah's Advancing Malaysia strategy, anchored by 'A Nation That Creates' framework that aims to boost national productivity and competitiveness. These initiatives are a part of Khazanah's commitment under the GEAR-uP programme, led by the Ministry of Finance ("MOF") in synergising efforts across

Government-Linked Investment Companies (“GLICs”) and catalyse growth in key economic sectors.

The launch of the EMP and RMI underscores the NFOF’s commitment to enhancing access to capital for startups, driving innovation and spurring economic growth. This aligns with the aspirations of Ekonomi MADANI to ‘raise the ceiling’ through digital, innovation-led industries and support high-growth companies to become regional champions.

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For further information on Khazanah, please visit www.khazanah.com.my or contact Sherliza Zaharudin at Tel: +603 2034 0000, or e-mail at sherliza.zaharudin@khazanah.com.my

About Khazanah Nasional Berhad

Khazanah Nasional Berhad (“Khazanah”) is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of Advancing Malaysia, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my

About The National Fund of Funds

The National Fund of Funds (“NFOF”) is an initiative first mooted by YAB Prime Minister Dato’ Seri Anwar Ibrahim during the tabling of Budget 2024. It was spearheaded by Khazanah Nasional Berhad following the successful acquisitions of Malaysia Venture Capital Management (“MAVCAP”) and Penjana Kapital (“PK”) on 30 July 2024. With an initial allocation of RM1 billion, this strategic move aims to consolidate and streamline Malaysia’s venture capital ecosystem, ensure greater sustainability of funding, attract private capital and draw in regional VC firms to the country.