



Editor: Joe. C



From the

## CIO'S DESK

Now mobile  
friendly!

### The Physical Impossibility Of Death In The Mind Of Someone Living



Photo: Oli Scarff/Getty Images

**Damien Hirst** is the best known of a group of British artists and one of his most iconic work is “The Physical Impossibility of Death in the Mind of Someone Living” – a 14-foot rare tiger shark immersed in formaldehyde in a vitrine weighing more than two tonnes. The shark was caught by a fisherman in Australia and he was paid US\$6,000 of which US\$4,000 for catching and US\$2,000 for packing it in ice and shipping it to London. The British advertising magnate Charles Saatchi then bought his work for GBP50,000. In December 2004, Saatchi sold the work to Steve Cohen, the founder and principal of the uber hedge fund SAC Capital, for a staggering US\$12 million. It is rumoured that creators of US drama series Billions were inspired by Steve Cohen when creating the character of Bobby Axelrod.

I always wonder: Is “The Physical Impossibility of Death in the Mind of Someone Living” really a bourgeois art or a proletarian taxidermy? I am sure most do not care. It is after all true that art tells you things you do not know you need to know until you know them.

“

**Is ‘greed’ dominating the market or is  
‘fear’ peeping to take over?**

”

Why this particular piece of art is a subject of much interest? To me, “The Physical Impossibility of Death in the Mind of Someone Living” is a symbol of money, ignorance and greed. Sharks have always been associated with ruthless greedy corporate raiders, as glamourised by Diana Henriques and her book “The White Sharks of Wall Street”. And this particular work of Hirst is an embodiment of excesses in the financial world.

## Greed & Fear

One cannot separate 'greed' and 'fear' from financial markets including venture capital. Venture capitalists are creatures of fear and greed. Some investors succumb to the fear of missing out. Some are resolute in chase of significant benefits tied in with their investment. There is an ongoing debate about the current state of venture capital market. Some argue that there is too much exuberance in the market, driven by easy money and compounded by greed. Financial markets are awash with liquidity, thanks to accommodative monetary policies by the central banks across the globe. Prevailing low yield environment forces investors to look for higher yield assets and investment opportunities, and these factors explain the resurgence of financing deal value in the past year, mostly dominated by unicorns (>US\$1 billion) and decacorns (>US\$10 billion). As institutional investors chase for higher yielding investments and climb the risk ladder, more and more pooled money will be attracted to these late-stage venture capital investments.

“ **Inequality is self-perpetuating.**

**Excess savings of the rich depress rates; low rates push asset prices up; the rich get richer still.** ”



Source: Bloomberg

David Solomon of Goldman Sachs recently said in an interview at the Bloomberg New Economy Forum in Singapore that we are in one of those periods when greed has far outpaced fear. The question du jour is whether there is more upside : Is 'greed' dominating the market or is 'fear' peeping to take over?

I am aware that recent market chatters revolve around 'inflation' and why the central banks need to tighten and how interest rates would go up. But I am of the view that valuation of financial assets including venture capital will remain supported at least in the short-term. Interest rates will remain low at least in part because of higher savings. There are more savings sloshing around, exacerbated by rising income inequality: a larger and larger slice of national income is going to the top decile of earners, and these wealthy few tend to save much of this income rather than spend it, and this directly pushes rates down. If those savings are invested, it would drive up asset prices further and yields would go down. Inequality is self-perpetuating, with the feedback loop running through low rates. Excess savings of the rich depress rates; low rates push asset prices up; the rich get richer still.

And if inflation persists, investors need to look for exposures and assets that have a better chance of outpacing inflation while also providing diversification. There is a clamour for hyper-growth companies (most of them are technology and tech-enabled) and emerging economies such as Southeast Asia. Presently investors have limited avenues to access these assets, and the politics of sentiment indicates that fear has not set in, and the economics law of supply and demand suggests there are still further upside (at least in the not too distant future).

It is worth to note that there is no physical impossibility about death, and like mortals, this exuberance may also die when the 'fear' snares the 'greed'.

*There is no shark like fear, there is no snare like folly and there is no torrent like greed.*



# ANALYSTS' COMMENTARY

*Future of Malaysia*

# HEALTH CARE

By Joe. C



## Malaysian Healthcare: Public vs Private

There is an age-old debate over Public vs Private healthcare in Malaysia, which is better? Champions for private healthcare often paint public healthcare as inefficient, understaffed and overcrowded; while advocates for public healthcare are against the exorbitant fees charged by private healthcare provider. Which side of the debate do I stand?

Since I lack the finesse and poetic flair of my CIO in the art of writing, I shall begin my answer with my personal experience.

27 January 2021

“ Yes, it is an **emergency**. He is in the operating theatre right now. ”

My heart sank as my father lay under the mercy of surgical knives 300km away from Kuala Lumpur. Knives held by strangers no less. As a professional overthinker (analyst), my mind immediately went into overdrive.

*“What could it be? Carcinoma? Were there signs? Why did I not notice earlier? How can the doctor in the clinic not diagnose it immediately? Should we consider moving him to a Private hospital? What sort of answers should I seek from the doctor?”*

Googling medical symptoms never bodes well for an overthinker. It exacerbates what the Buddhists call “*prapañca*<sup>1</sup>” – *mental proliferation*, or as I like to call it – *down the rabbit hole and a speeding ticket*. The journey back home was not mentally pleasant (foreshadowing Startup of the Month) and I should have complied with the speed limit.

The doctors from several private practices failed to determine the issue, while a young doctor in a public hospital pinpointed and ordered an emergency surgery immediately; saving his life. Does that mean public healthcare is better? Through my observations during the whole ordeal, I too opine that public hospitals/clinics are understaffed, overcrowded and underfunded.

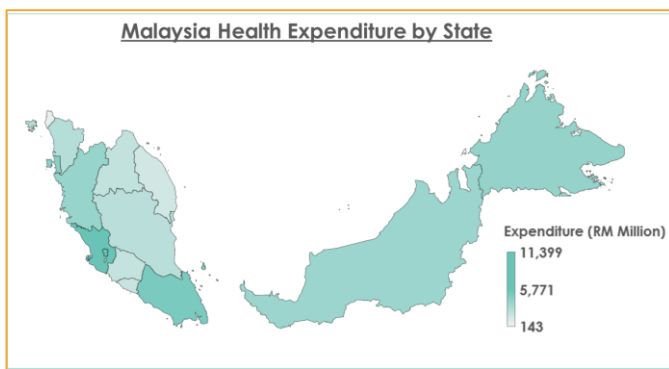
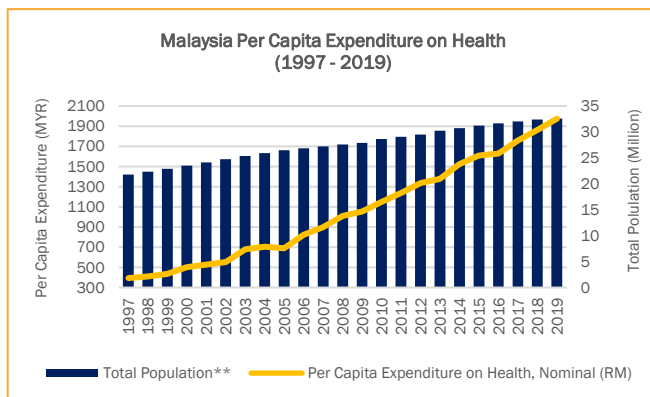
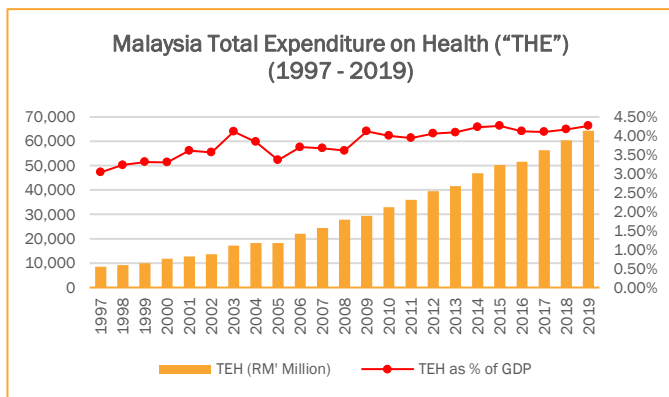
However, are Private healthcare and extra funding the only answers to what is essentially a legacy issue? Just like how e-hailing start-ups reshaped the taxi industry, could the same happen for the Healthcare industry?

**More importantly, what does the future holds for Malaysia’s Healthcare sector?**

1. Prapañca : Something bad happens, we immediately construct a phantasmagoric future. (Dan Harris)

## Malaysia's Healthcare Industry Overview

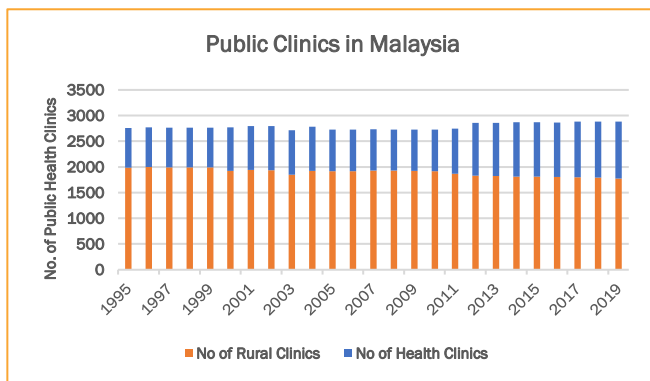
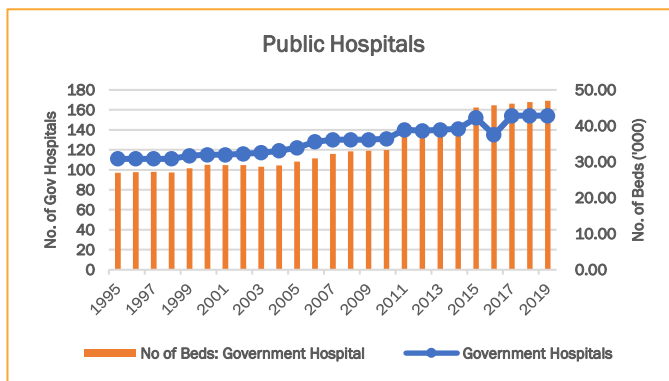
According to Malaysia National Health Accounts Health Expenditure Report 1997-2019, Malaysians' health expenditure has increased at a rapid pace. As Malaysia marches towards its goal as a high-income nation, its population will too transition into an ageing population; albeit less extreme compared to Japan.



Source: Ministry of Health Malaysia (KKM) & Malaysia National Health Accounts Health Expenditure Report 1997 - 2019

Elderly population aged 65 & above accounts for 7.0% of Malaysia's total population and is projected to reach 14.5% by 2040. This, coupled with cultural and the increasingly stressful lifestyle is anticipated to increase demand for healthcare, especially in urban areas.

Furthermore, health consciousness and awareness level has also increased in tandem with the rise of Malaysia's middle-income population.



## Public Healthcare: Legacy Issues & Brain drain

Like many developing nations, public healthcare is often marred by red tapes, overcapacity, inefficiencies.

### 1. Overcrowded Public Hospitals

- Number of beds in public hospital spiked up since 2015 while number of hospitals stayed stagnant.

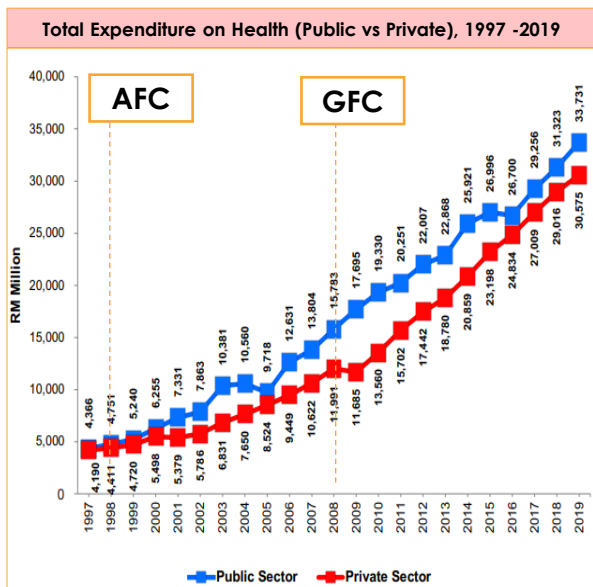
### 2. Health Clinic Stagnations; Inaccessible to rural citizens

- The increments in public clinics are offset by closure of rural clinics over the years.
- Accessibility to public clinics has decreased, especially for Malaysians in rural areas.

### 3. Systemic Issue vis-à-vis Job creation.

- Medical graduates still struggle to obtain placement as a houseman (9-12months wait time) due to insufficient training hospitals. Brain drain ensues.

## Private Healthcare: Conventional Mold at premium.



Source: Ministry of Health Malaysia (KKM)

Private healthcare in Malaysia is essentially molded from its government-led public counterpart.

- Recent years saw increased traction in private healthcare, as Total Expenditure on Health (THE) for both private and public near convergence since 2016.
  - Possibly due to factors such as cultural biased towards government institutions and/or the increase in disposable income.
- Profit driven and largely owned by corporates, innovations are often imported from developed markets and sold to Malaysians at premium.

## Malaysia Healthcare Industry: Primed for Disruption

Both public and private healthcare are plagued by their own set of issues. Despite having the capacity to innovate, the focus on profit and cost effectiveness dilute the core function of these private healthcare providers – healing patients.

From the ancient Greeks who congregate in temples to heal their ailments to the invention of vaccine by Edward Jenner, modern healthcare encompasses wide range of products and services, from specialized to ancillary. Like Beam Micromobility who reshaped inner city travelling in Greater ASEAN, there are medical/health focused start-ups who will reshape Malaysia’s Healthcare Industry. Be it B2G or B2B2C, the inefficiencies in both our public and private healthcare system are sure to create opportunities.

## Enter Healthtech

Healthtech can broadly be defined as application of technology centred around optimizing personal and preventive care. Not to be confused by medtech, a different vertical of digital healthcare that focuses on therapeutic technologies and medical devices that treat existing medical issues and diagnostic technologies that detect medical conditions.

McKinsey & Co categorized digital health technologies into five main categories: R&D, wellness and disease prevention, screening and diagnosis, care delivery, and finance and operations.

## Notable Healthtech Start-ups Around the World



**Alector**

- Combats neurodegenerative disorders like Alzheimer’s by developing cutting-edge antibody therapies



**Collaborate MD**

- Cloud-based medical billing and practice management software.



*Penjana Kapital presents*

## **START-UP OF THE MONTH**

By Iman Abdul Hamid

### **Post Pandemic Recovery Starts with A Healthy Mental State**



Being a part of the Short-Term Economic Recovery Plan (PENJANA) as announced in June 2020, the Dana Penjana Nasional (DPN) is focused in stimulating the post pandemic recovery through the investments in its 8 VC funds.

At the heart of the matter, we understand to aid recovery, we need to be holistic in our investment approach. Much has been talked about on the economic effects of the pandemic. It is evident and easily accessible through multiple media channels. Social effects, on the other hand, may have grazed news channels briefly but not much have been said about the aftermath of the pain and suffering caused by the pandemic and how it has affected the average Malaysians.

As of 29 November 2021, the Covidnow portal has reported over 2.6 million cases of Covid-19 in the country since the pandemic started and 30,303 deaths were recorded. Ministry of Health (MOH) also reported that from 1 January 2021 to 18 June 2021, 89.4 per cent (109,806 out of 122,328 calls) calls received by government helplines were related to mental health issues that required emotional and psychological support.

The loss of loved ones, new COVID-19 variants, loss of jobs and income, loss of a place of dependence, ongoing financial distress and family issues arising from long isolation are all factors that contributed to the rising number of mental health issues which were related to the pandemic. Watching Friends sitcom reruns (daily) will not help (trust me!). If not treated, the long-term effects of these mental health issues could be detrimental and possibly leading to death.

Realizing the importance of alleviating mental health issues as part of the pandemic recovery, the DPN has invested into two Malaysian healthtech start-ups in the hopes to make digital healthcare services accessible to the general public and create awareness on the importance of taking care of one's mental health.

## Naluri Hidup



Naluri is a Malaysian healthtech startup providing digital diagnosis and intervention therapies for chronic disease through its platform. The DPN, had participated in Naluri's USD5 million Series A round, through Hibiscus Fund, a fund managed by DPN recipients, KB Investment and RHL Ventures.

Naluri works with corporate employers, insurers, and hospitals to offer a digital, psychology-based preventive health program for at-risk employees, and a rehabilitative program for chronic illness patients by connecting them to health and clinical psychologists who use evidence-based techniques to help them achieve clinical outcomes such as weight loss, reduction in blood pressure and blood sugar, and better stress management.

The digital coaching platform was built as a way to provide professional behaviour change coaching services in a more accessible, affordable and convenient manner because many people do not have access to face-to-face coaching and therapy to help them become their healthiest and best selves. Naluri believes that behaviour change needs to be addressed holistically and not on a piece-meal basis. Naluri also works in partnership rather than compete with existing healthcare players. This means that rather than try and replace face-to-face doctor appointments through telemedicine, Naluri aims to extend the care of patients in between clinic sessions, and give them the support they need at home.

Prevention is better than cure. Naluri provides easy access to personal and preventive care to Malaysians. By partnering corporates, mass adoption is possible as the company provides an incentive for these large employers to manage their operational costs. The mass adoption encourages Malaysians to adopt healthy lifestyle choices which in turn would also benefit their mental well-being



## Thoughtfull

Established in 2018, ThoughtFull's mission is to make access to mental healthcare accessible and affordable. ThoughtFull partners with corporates, insurers and healthcare providers to provide personalized preventive mental wellbeing solutions to individuals through its mobile app, ThoughtFullChat.

The company leverages behavioral science and evidence-based frameworks to empower users to build resilience on-the-go and professionals to build a digital practice. ThoughtFull is building the largest network of certified mental health professionals in the region and partnering with employers and insurers to bring preventive mental healthcare to all. The DPN had participated in Thoughtfull's USD1.1million seed round, through it's The Hive Southeast Asia Fund, a fund managed by DPN recipients, The Hive SEA and Tuas Capital Partners.

A study in 2018 reported that Malaysia had a significant deficit of psychiatrists and psychologists, with a ratio of 1.27 psychiatrists per 100 000 population. There were 410 registered psychiatrists working in private universities, private clinics, public universities and government hospitals. Malaysia needs at least 3,000 registered psychiatrists to meet the World Health Organization (WHO) recommendation of 10 psychiatrists per 100 000 population. Rapid urbanisation contributes to the uneven geographical distribution of doctors, with a decrease in numbers of psychiatrists in rural areas. There is a need for a uniform distribution of psychiatrists between all geographical locations within Malaysia and beyond.

As we move towards the digitalization of the psychiatrists and psychologist services, we hope this could bridge the gap between urban and rural areas whilst providing greater access to mental health services for Malaysians.



# YEAR IN REVIEW & 2022 KEY TRENDS

By Natasha and Marcus

## A Year in Review

### In the media



**RM850 million** First Close as at end May'21

**RM433 million** Foreign participation



Collaboration to offer seed stage start-ups better funding access



Regional partnership to access USD 1 trillion Indonesian market



**122**

No of Start Ups Directly Engaged

**32**

No of Approved Investment



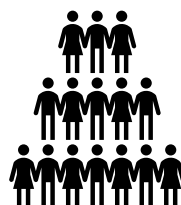
Start-up engaged

**2,603**

Expected New Employment

**2,574**

Retained Employment



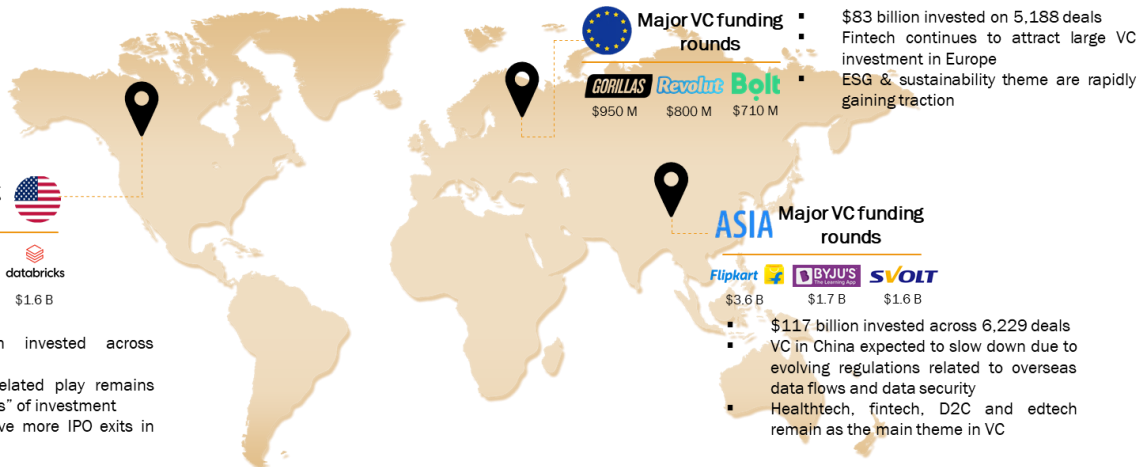
50% increase from current employment

Job creation

## 2021 Q3 Fundraising Activities

### Global

**\$455.7 B** Amount raised by VC-backed companies  
**22,877** No of VC deals

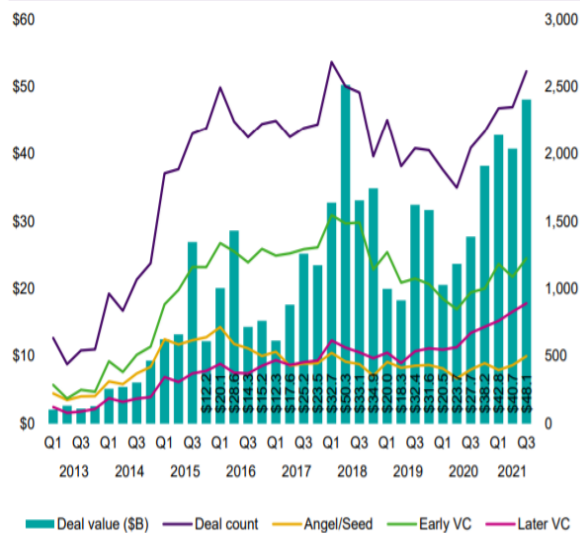




# Venture Capital in Asia

## Venture financing in Asia

2013–Q3'21



Source: Q3'21 Venture Pulse Report, Global trends, KPMG Global

VC deals on an uptrend with more focus given to the early and late stage financing.

# 2021: 19 start-ups in ASEAN achieved unicorn status

-  Ascend Money
-  Flash Express
-  Lineman Wongnai

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-  AirAsia Digital
-  Carsome
-  edotco

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-  Acronis
-  Carousell
-  Carro
-  HyalRoute
-  JustCo
-  Lazada
-  Matrixport
-  Moglix
-  Ninja Van
-  Nium
-  PatSnap
-  Property Guru
-  Secretlab
-  Trax
-  Advance Intelligence Group

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-  Akulaku
-  Blibli
-  GoTo
-  JD.ID
-  J&T Express
-  OVO
-  Ruangguru
-  Sicepat
-  Tiket.com
-  Traveloka
-  Xendit

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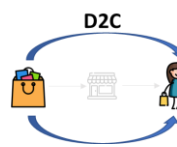
-  Mynt
-  VNG
-  VNPAY

## Mobility



With ride sharing space getting crowded. I believe that digitalization of shipping to optimized logistics and shifting to alternative clean energy such as using LPG or even hydrogen (although this is still a long way) powered ships would be the next big thing.

## D2C



There is a huge opportunity in eCommerce rollup, the global market size currently is \$4.2 trillion in 2020 and is expected to grow 11% CGAR to 2024. With D2C companies sell their product at a lower cost than traditional consumer brands, and control their product at every stage.

## Web 3.0



For the past few decade technology and the internet have evolved from read-only in Web 1.0 to include interaction and participation in Web 2.0 which we saw the rise of social media and eCommerce. Web 3.0 which is the latest internet application, now decentralized and powered by blockchain allow users to own their products digitally

## Climate Change



With more companies pledging to halt climate change, banks and hedge fund are increasing their focus on ESG. However, many of these companies will not achieve their goal of carbon neutral. To offset this, companies would require to purchase carbon credit. “The global demand carbon credit has a market size of \$268 billion and it could increase by 15x by 2030 and 100x by 2050.” – Wood Mackenzie

## Sustainable Food



With the raise of alternative meat, I believe lab grown meat could act as a complement meat to customer who still prefer traditional meat but are environmental conscious. Moreover, we see that there is a rise in using biotechnology in engineering a more efficient way for shrimp farming.



**32**  
startups

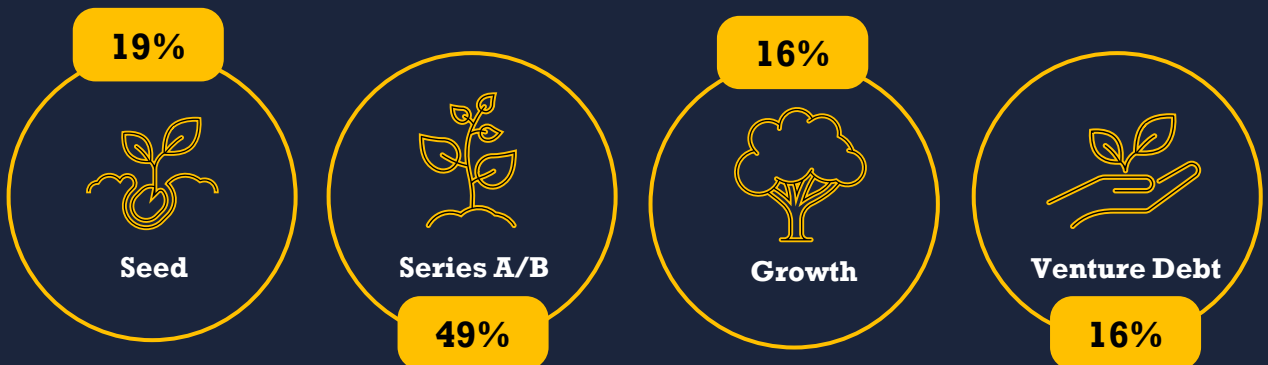


**Investments  
Approved**

**RM 283.90**  
million

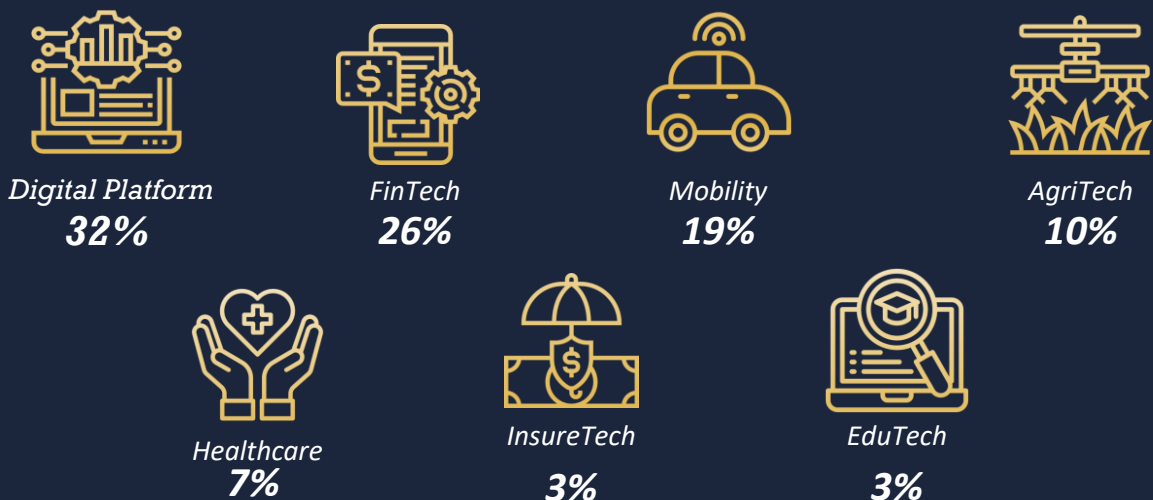
 **Unicorn** | **2** |  **Soonicorn** | **23** |  **Minicorn** | **5**

## Investee Stages\*\*



\*\*Investee stage and verticals are based on number of approved investment (30)

## Investee Segments



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