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Things have changed massively in Nigeria since this year's Presidential Election, and the broad consensus on Nigerian stocks from foreign investors is still very bearish, writes Tim Staermose of ST Funds Management. Hence, our December market feature is focused on Nigeria. Read on pp.14-15 whether this West African country can regain its place among the top destinations in Africa for equity investors.

In this month's issue we also hear from Satrix's Kingsley Williams and Nico Katzke on why rules-based funds will continue to dominate future flows. They said that they've seen up to half of all flows in the high equity balanced fund segment going to rules-based strategies in the last year. Read more about the Satrix Balanced Index Fund and more on pp.16-17.

In addition, this month we caught up with Arjuna Costa, Co-Founder & Managing Partner, Flourish Ventures to discuss its latest fund and the current state of investments in Africa's fintech. Read on p.22.

On the fundraising front, BluePeak Private Capital has reached final closing at \$156m for its inaugural private capital fund, BluePeak Private Capital Fund SCSp. More on p.4.

For more up-to-date news, analysis and insights visit africaglobalfunds.com and don't forget to follow the magazine @AfricaGlobFunds on Twitter.

If you would like to get in touch with any comments or suggestions for future issues, please e-mail myself at a.lyudvig@africaglobalfunds.com

Best regards,

Anna Lyudvig
 Managing Editor

BluePeak Private Capital Fund Reaches Final Close

BluePeak Private Capital (BluePeak) has reached final closing at \$156m for its inaugural private capital fund, BluePeak Private Capital Fund SCSp.

BluePeak is an alternative asset manager firm supporting the growth of scalable businesses in Africa through privately negotiated and structured debt like instruments.

The closing signifies the emergence of private debt as an attractive asset class, offering superior risk adjusted and a compelling alternative for African SMEs.

As a gateway to investing in homegrown businesses poised for sustainable growth at scale, the Fund attracted investors and development finance institutions (DFIs) mandated to maximize social impact and generate attractive returns.

Despite the persistent challenges in attracting capital to emerging markets, BluePeak has secured backing from the African Development Bank (AfDB), British International Investment (BII) - the UK's development finance institution, the European Investment Bank (EIB), the US Development Finance Corporation (DFC), FMO - the Dutch entrepreneurial investment bank, SwedFund - Sweden's development finance institution, and the "Caisse des Dépôts et Consignations" CDC Tunisia.

The African Development Bank and South Africa-based private investor Sango Capital are the most recent investors to back the Fund, marking their first ever commitments to a private debt fund.

Less than three years from initial closing, the Fund successfully built a diversified portfolio of six pioneering businesses operating in more than 30 countries across Africa, employing over 7,500 people and impacting the lives of millions of Africans.

The rapid deployment of conscious capital in several industries demonstrates the range of growth opportunities available in the region.

With an estimated funding gap of \$421bn for African SMEs, BluePeak is primarily seeking to bridge the financing shortfall that growing companies face, while enhancing operational longevity.

BluePeak works closely with its partners to encourage growth, employment, and opportunities to balance gender equality, consolidating the Fund's commitment to the 2X Challenge initiative.

At the heart of BluePeak's mission lies sustainability. Substantial strides were made in implementing best-in-class ESG & Impact frameworks aligned with the highest industry standards and ingrained across the investment process, maximizing positive and long-lasting impact.

DEALS

Africa Merchant Capital And NIDIF Partner on Open Access Fibre Network in Namibia

The Namibia Infrastructure Development and Investment Fund (NIDIF), an infrastructure fund with the mission to develop economic and social infrastructure assets in Namibia and managed by Eos Capital, has acquired a significant minority stake in the Namibian business of Lightstruck Holdings, a fibre infrastructure company, specialising in open access last-mile fibre networks.

The investment from NIDIF combines equity and preference shares to support the build-out of the last-mile fibre infrastructure in previously overlooked towns and communities in Namibia.

Frederico Van Wyk, Eos' Chief Investment Officer, said: "This will be the first ever open access fibre network in Namibia, creating inclusion for players in the ICT sector and closing the gap in the digital divide. Finding partnerships to achieve this is essential, and we value joining the mission with Lightstruck Holdings".

Lightstruck Holdings was founded as a joint venture between Lightstruck South Africa and Africa Merchant Capital Holdings to develop, own and operate open access, high-end, last-mile fibre by deploying an infrastructure investment methodology that delivers long-term fibre optic networks for the economic and social benefit of

the Namibian communities in which fibre is deployed.

Coenraad Krige, Director of Lightstruck and Managing Director of Eaglestone South Africa, said: "The Company has decided to partner with Eos Capital because we share a joint mission to develop economic and social infrastructure assets in Namibia. We install and maintain fibre as a nextgeneration digital utility service."

Cobus Visagie, Group CEO of Africa Merchant Capital, added: "We are proud to partner as a Namibian company with Eos Capital to enable home and business owners in Namibia to utilise fast-speed fibre and to offer our customers the combination of both excellent service, with a product offering that would suit most business and homeowners' modern and growing internet requirements."

Eos Capital is a Namibian private equity firm with over N\$ 1 billion in assets under management. Eos Capital manages the Allegrow private equity fund, Euphrates Agri fund and NIDIF. NIDIF targets infrastructure projects in Namibia through equity funding to generate long-term, stable, and robust income yields and capital growth for its investors. The fund's main target sectors include Energy, Water, ICT, Transport and Logistics, Healthcare, and Education.

DPI And Verod Co-Invest in PAT



Azeez Amida,

CEO
PAT

Development Partners International (DPI), a premier investment firm focused on Africa, and Verod Capital (Verod), one of the continent's leading investment management firms, have co-invested in Pan African Towers (PAT), a digital infrastructure company based in Nigeria.

Adefolarin Ogunsanya, Partner at DPI, said: "Pan African Towers is an exciting homegrown business with significant potential and is uniquely positioned to benefit from the opportunity presented by Nigeria's digital innovation boom. We are incredibly excited to partner with PAT's management team to help crystallize the Company's vision of becoming Nigeria's digital infrastructure provider of choice and look forward to sharing our deep knowledge and experience of Africa's towers industry and the Nigerian market to help achieve this."

DPI and Verod are investing in PAT to fuel its continued growth and will work with management to build on the company's recent achievements

(MNOs) and internet service providers (ISPs).

Nigeria is an attractive market for digital infrastructure in Africa.

Underpinned by its strong demographics, it is Africa's leading telecommunications market by number of mobile subscribers (208m) and contributed c.13% of national GDP in 2021 compared to 8% in 2015.

As of December 2021, there were 41,120 towers in Nigeria mostly supporting third generation (3G) and fourth generation (4G) technology across the country.

However, according to Nigeria's Ministry of Communications, the country needs between 70,000 to 80,000 towers to enable proper quality and coverage for 4G and 5G technology, creating a supply gap of more than 30,000 towers.

This investment will enable PAT to capitalise on this opportunity and help close this gap, providing world-class digital infrastructure to support Africa's economic development.

PAT's experienced management team will work closely with DPI and Verod to accelerate its strategic plan, leveraging their expertise in areas such as market entry, operational efficiency, and talent management.

"As a proud Nigerian-founded and run business, Pan African Towers is on a mission to accelerate the Nigerian market and support the growth of the mobile telecommunications sector in the country"

- Azeez Amida, CEO of Pan African Towers

and reaffirm its position as Nigeria's largest homegrown digital infrastructure provider.

Daniel Adeoye, Principal and Head of Investments at Verod Capital, said: "The Nigerian demographic is currently experiencing a surge in data consumption and related services, driven by a generation of tech-savvy digital natives that are unparalleled. The 'Verod Consumer Spend Index' indicates that telecommunication expenses are increasing significantly, providing a tailwind for tower companies like PAT. Verod is delighted to support PAT's management with ample capital and value-creation expertise to navigate this period of growth."

Established in Nigeria in 2017 to capitalise on the growing demand for wireless communications across Africa, PAT has emerged as a prominent telecommunications and tower infrastructure provider in Nigeria, playing an indispensable role in the nationwide expansion of mobile communications.

Since founding, PAT has built a successful business model centred around establishing tailored, long-term contracts with blue-chip customers, including Nigeria's leading mobile network operators

With the support of both investors, PAT will deepen relationships with existing partners, expand its customer base, and grow its footprint of towers to reach new parts of the country where mobile and wireless penetration remains low. PAT will also benefit from DPI's experience in scaling towers companies, as the first institutional investor in Eaton Towers, another of Africa's leading telecoms businesses it exited in 2019.

Azeez Amida, CEO of Pan African Towers, said: "As a proud Nigerian-founded and run business, Pan African Towers is on a mission to accelerate the Nigerian market and support the growth of the mobile telecommunications sector in the country. We also have a clear strategic vision to grow the business sustainably, including actively reducing the carbon footprint of our network to uphold best-in-class ESG practices. We are excited to partner with DPI and Verod and will leverage their sector experience and market expertise to help us achieve these goals. The evolution of Nigeria's mobile and wireless industry presents significant opportunities for our business, and we look forward to being a part of this next chapter of growth."

DEALS

BluePeak Invests in Prime Logistics



Rami Matar,
Senior Partner
BluePeak

BluePeak Private Capital (BluePeak), an alternative asset management firm supporting the growth of scalable businesses in Africa, has announced its first ESG-linked investment, a \$20 million hybrid loan

to a leading integrated East & Central African logistics group, Prime Logistics (Prime).

Rami Matar, Senior Partner at BluePeak, said: "Our diversification into logistics is testament to the flexibility and ambition of an investment approach prioritising sustainable growth of resilient businesses. Partnering with Prime will build on the company's existing ESG track record, advance the logistics sector, and accelerate the journey to a more sustainable future."

The investment will contribute to the sustainable expansion of Prime's operations in Africa, increasing access to high-quality logistics services while lowering associated emissions and boosting regional connectivity.

Prime combines best-in-class logistics services that include freight, customs clearance, warehousing, inland terminals, overland transport, and supply chain management.

By offering the full spectrum of logistics services, Prime can offer an integrated solution to customers ensuring cargo is moved efficiently from source to its ultimate destination.

Prime's ambitious growth plans seek to strengthen its position as a market leader, serving blue chip customers operating in the growth

markets of East & Central Africa and the Middle East.

The company operates from its hubs in Dar es Salaam, Mombasa, Kampala, Goma and Dubai bringing regional economic partners closer, while the investment helps the company continue to connect countries including Democratic Republic of Congo, Kenya, Rwanda, Tanzania, Uganda, Malawi, Burundi, and Zambia.

As part of the company's climate action plan, Prime will strengthen its robust ESG framework and build on innovations that focus on reducing the company's carbon footprint and efficiency.

BluePeak will ensure the investment aligns with the Fund's sustainability strategy focused on resilience, climate change, and inclusivity.

Enhancing equality in a strategic sector, BluePeak's investment also reinforces gender diversity and will drive the implementation of initiatives to increase female participation in this historically male-dominated sector to break barriers and deliver economic opportunities to women.

BluePeak's investment promotes the UN's Sustainable Development Goal 5 on Gender Equality, Goal 8 on Decent Work and Economic Growth, and Goal 13 on Climate Action.

Asif Abdulla, Executive Chairman at Prime Logistics, said: "The investment from BluePeak comes at a crucial time as increasing trade flows between East & Central Africa, the Middle East and the rest of the world supports demand for reliable logistics services. The structure of the funding aligns with our commitment to advance economic growth while unlocking sustainable development."

DEALS

Convergence Partners, IFC, IDA Invest in CSquared

Convergence Partners' Digital Infrastructure Fund (CPDIF), IFC and the International Development Association's (IDA) Private Sector Window Blended Finance Facility have invested \$25m in CSquared Link Holdings (Mauritius), a pan-African technology company committed to digitally connecting Africa by making impactful investments in telecommunications infrastructure throughout the region.

To accelerate the expansion of its carrier neutral, open-access broadband infrastructure, CSquared today announces new equity investment from both new and existing shareholders to finance its ambitious growth objectives.

Sarvesh Suri, IFC's Regional Industry Director for Infrastructure, Africa, said "Broadband connectivity is critical for Africa's development. Our investment in CSquared is aligned with our regional strategy to develop

digital infrastructure and promote the digital economy which can help leapfrog development for many African countries, support economic growth and stimulate job creation."

This is the first tranche in a broader \$65m investment programme to finance CSquared's expansion and growth.

Additionally, CPDIF has acquired the stake in CSquared held by Google.

The new investment into the Company will be used for network expansion as CSquared continues to drive digital infrastructure developments across its footprint and the broader African region. CSquared was launched as a project within Google in 2011 with the ambition of building metropolitan fiber optic networks in Sub-Saharan Africa as a carrier neutral operator of shared infrastructure.

The long-term vision for the Company is to increase Internet

penetration in Sub-Saharan Africa and to reduce Internet access costs by investing in infrastructure necessary to drive digital transformation in the region.

In October 2017, Mitsui & Co., Ltd., Convergence Partners Communication Infrastructure Fund and IFC came on board to deepen existing market penetration and expand geographically as the partners looked to commercialize the Company.

Andile Ngcaba, Chairman and Founding Partner of Convergence Partners, said: "The opportunity to increase our investment in CSquared

Under the guidance of its shareholders, the Company has successfully established operations in six markets across the continent, namely Uganda, Ghana, Liberia, Kenya, the Democratic Republic of Congo and Togo.

Lanre Kolade, CSquared Group Chief Executive Officer, said: "CSquared has demonstrated a proven track record in developing and commercialising carrier-neutral, open-access networks across Africa. We remain singularly focused on changing lives through the digitalisation of the region and providing #InternetForAll. The support

"The benefits of world-class connectivity span all layers of society and have never been more tangible

- Andile Ngcaba, Chairman and Founding Partner of Convergence Partners

via our most recently raised fund comes at a pivotal time for African digital development. The benefits of world-class connectivity span all layers of society and have never been more tangible. As investors in the Company since 2017 we have had a front-row view of the tremendous impact of open-access networks on the development of the African ICT ecosystem."

"The combination of developmental impact, as well as strong commercial returns makes this an attractive investment for CPDIF and we are delighted to be able to shape the next phase of this journey".

from our investors, both existing and new, will transform our ability to deliver on this ambition. This involves expanding the digital broadband infrastructure footprint in all our current markets - Uganda, Ghana, Liberia, Kenya, DRC & Togo, as well as expanding into new markets in the near future. Now, more than ever, the future is here #ADigitallyConnectedAfrica".

FTI Capital Advisors DIFC Limited ("FTICA") acted as financial advisor to CSquared on the capital raise and concurrent sale of the stake in CSquared held by Google LLC.

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DEALS

Green Climate Fund Approves \$50m for REPP 2



Ben Hugue,
Investment Director
Camco

The Green Climate Fund (GCF) has approved a \$50m equity investment in REPP 2, a new debt fund providing an opportunity to invest in Sub-Saharan Africa's fast-growing renewable energy market.

Climate and impact fund manager Camco is developing REPP 2 as a \$250m fund designed to deliver significant climate, economic and gender impacts while ensuring sustainable returns for investors.

Ben Hugues, Investment Director at Camco, said: "REPP 2 builds on the successes and lessons from REPP to provide a new fund that will offer significant commercial investment into Africa's renewable energy sector, underpinning the continent's green growth potential. Drawing on Camco's 30-year track record in renewable energy investing, REPP 2 is projected to deliver sustainable financial returns and multiple developmental, social and environmental benefits."

"We are naturally delighted at the prospect of working with the Green Climate Fund on this new venture."

Latest research shows that approximately 590 million people in Sub-Saharan Africa do not have access to electricity, with the International Energy Agency claiming \$22bn is needed annually to deliver reliable energy access across the continent by 2030 to meet SDG7.

At the same time, Africa is facing increasing climate hazards and countries require as estimated \$2.8trn by 2030 to implement their Nationally Determined Contributions under the Paris Agreement.

REPP 2 has been structured as a paradigm-shifting blended finance facility leveraging public, private and commercial funding to invest in small-scale and decentralised renewable energy projects in Sub-Saharan African countries.

Through its private sector approach, and a strong focus on supporting communities vulnerable to climate change, it is projected that over

REPP 2's lifetime the fund will make 35-40 investments that support the development of decentralised renewable energy and strengthen the resilience of national grid infrastructure to promote economic development in Sub-Saharan Africa, particularly in Least Developed Countries.

The Fund will provide 7.7 million people with new or improved access to clean, reliable and affordable power across Africa, increasing economic opportunities and access to productive use of energy activities, and mitigate 12.7 million tonnes of carbon dioxide equivalent in greenhouse gas emissions over projects' lifetime.

The fund will also invest \$70m in projects aligned with 2X's gender lens investing criteria, and mobilise \$786m in third-party funding for green growth in target countries.

With its blended finance structure, REPP 2 represents an evolutionary step from the \$120m REPP facility, which was fully funded by the UK's Foreign, Commonwealth and Development Office (FCDO).

The announcement comes after the REPP Board signed an indicative term sheet for a junior equity investment of up to \$50m from REPP into REPP 2.

The combined junior equity investments of up to \$100m from the GCF and REPP are designed to protect capital, and to generate an appropriate level of returns to REPP 2's commercial investors.

Peter Coveliers, REPP Board member and one of the founders of the REPP initiative, said: "Blended finance is instrumental in attracting private sector funds to support a clean energy transition and green growth in Africa.

"By building on the many strengths of REPP and by adopting a well-designed blended finance structure, REPP 2 has the potential to unlock significant additional investment capital to fund climate-related projects on the continent. It's truly exciting to be part of supporting REPP 2 as it builds upon REPP's impressive legacy of achievements."

EXITS

SPE Mid-Market Fund I Delivers First Exit

Sanlam Private Equity, the private equity division of Sanlam Investments, has sold its majority stake in a pet care retailer Absolute Pets to Woolworths Holdings.

This marks the first exit from the SPE Mid-Market Fund I, which

was launched by Sanlam as part of the Investor Legacy Range with a commitment to protect, grow and enhance jobs in the South African economy through its private equity investments.

The conclusion of the transaction is subject to the fulfilment of both



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regulatory and commercial suspensive conditions customary of a transaction of this nature, including competition authority approval in South Africa.

Absolute Pets is South Africa's leading specialist pet care retailer, with an omnichannel offering that provides pet parents with a retail product range that spans pet food, healthcare products, accessories as well as toys, treats, grooming services, and pet insurance.

Following its investment in Absolute Pets, Sanlam Private Equity has overseen a period of rapid expansion, with the retailer growing its footprint to over 150 stores nationwide.

The sale will see Woolworths acquire 93.45% of the shares in Absolute Pets from Sanlam Private Equity and Absolute Pets management.

John Seymour, Chairman of Sanlam Private Equity, said the sale marks the end of a successful period as majority shareholders of Absolute Pets.

"The pet care industry is experiencing strong growth tailwinds, driven by increased pet ownership, humanisation and increased premium

spending on pets. In Absolute Pets, we identified an opportunity to work alongside a quality management team to leverage these trends by supporting the growth of the leading business in the South African pet care sector. Our partnership has been successful, with the increase in stores to over 150 and over 200 jobs created," he said.

Seymour added his team played an important support role to the very strong management team at Absolute Pets: "Working alongside the passionate Absolute Pets team has been a pleasure and has resulted in a successful investment for Sanlam Private Equity. We believe that this is the right time for a transition to Woolworths for Absolute Pets and we wish them both all the best with the next part of their growth story."

Stephen Warner, CEO of Absolute Pets, commented: "Sanlam Private Equity has been an excellent partner in Absolute Pets, and we'd like to thank them for supporting the strategy and growth of the business and are grateful for the valued contribution that they have made to Absolute Pets."

INVESTORS

Mastercard Foundation Africa Growth Fund Invests in 3 Funds



Samuel Akyianu,

Managing Director

Mastercard Foundation Africa Growth Fund

The Mastercard Foundation Africa Growth Fund (Fund of Funds, FoF) has invested in three Investment Vehicles (IVs): Chui Ventures, VestedWorld, and SME Impact Fund.

These strategic investments mark a milestone for the FoF as it expands its total portfolio to five funds, solidifying its commitment to fostering impactful investments for sustainable economic growth across Africa.

"We are excited to welcome Chui Ventures, Vested World, and SME Impact Fund to our expanding family of investment vehicles," said Samuel Akyianu, Managing Director of the Mastercard Foundation Africa Growth Fund.

"These strategic partnerships represent our ongoing commitment to fostering sustainable development in Africa through impactful investments. Stay tuned for more developments in the very near future."

In the past 12 months, the Fund has also invested \$2.2m in Aruwa Capital Management of Nigeria, and another \$5m in Inua Capital - a Ugandan first-time fund manager aiming to provide catalytic risk capital to more than 30 small and medium-sized enterprises (SMEs).

The investment plan with Inua is to develop Uganda's market leaders. Inua Capital prioritizes gender inclusivity, creating jobs with respectable

wages, and building a sustainable investment ecosystem.

African-owned and domiciled funds are perceived as risky, limiting both their ability to secure financing to scale and their potential to drive growth and employment. African IVs need to be catalytic to address economic challenges, promote entrepreneurship, and leverage sustainable growth.

As a pioneer Fund of Funds, the Mastercard Foundation Africa Growth Fund's investments in IVs lowers the risk and serves as a pivotal player in driving continental economic transformation.

"This investment validates our effort to drive African innovation and entrepreneurship, and we are eager to unlock the potential of these promising ventures," said Joyce Ann Wainaina, Managing Director of Chui Ventures. "It will be a game-changer for exceptional African start ups, enabling Chui to supply what they need to flourish. Our experience in global corporate banking, private equity, and wealth management makes us well-equipped to guide these startups through early growth stages."

Chui Ventures is led by Joyce-Ann Wainaina, a first-time fund manager who is dedicated to backing gender-inclusive startups in Kenya and Nigeria; the Mastercard Foundation Africa Growth Fund is anchoring this fundraise with a \$9m commitment that will help the fund reach its \$20m target.

"We are excited to partner with the Mastercard Foundation Africa Growth Fund. The deal will strengthen high-potential African start-ups and provide them with what they need to succeed," commented Nneka Eze, General Partner and Managing Partner of VestedWorld. "Together, we aim to drive economic transformation and unlock the immense entrepreneurial talent across the continent."

Focused on burgeoning industries, VestedWorld is a Venture Capital Fund that targets investments in Ghana, Kenya, and Nigeria. The fund has received a commitment of \$10m from the Mastercard Foundation Africa Growth Fund that will be deployed in early-stage, high potential companies. The Fund will be providing the first institutional investment to this fund. VestedWorld aims to catalyze meaningful job creation, ensure fair wages, and stimulate broad based economic progress across communities and regions.

Based in Arusha, Tanzania, the SME Impact Fund will receive a commitment of \$8m. Its philosophy is that addressing the financing challenges of smallholder farmers and SME food processors, in turn, unlocks the commercial agricultural potential of smallholder farmers.

"Smallholder farmers are the backbone of African agriculture, and

their potential remains largely untapped due to financial constraints," said Allert Mentink, Chief Executive Officer of SME Impact Fund.

"Our partnership with the Mastercard Foundation Africa Growth Fund is a significant step towards addressing them. By funding agribusiness SMEs, we're helping the agricultural sector and empowering the farmers themselves. This collaboration proves our commitment to transforming the lives of smallholder farmers and driving sustainable agricultural growth across the continent.

The Africa Growth Fund is an initiative of the Mastercard Foundation, managed and implemented by Mennonite Economic Development Associates (MEDA) along with a strategic consortium of partners.

This consortium is composed of key entities, each playing a unique and crucial role in the success of the Fund. Our partners include Investisseurs & Partenaires (I&P) as the Fund Advisor, ESPartners (ESP) as the Business Development Services (BDS) provider, Criterion Institute as the Gender Equity Diversity and Inclusion Partner, Genesis Analysis as a Measurement, Evaluation, Reporting and Learning Partner, and Africa Communications Group as a Communications and Public Engagement Partner.

INVESTORS

BII to Invest €15m in MC IV Fund

British International Investment (BII), UK's development finance institution and impact investor, has committed €15m in the new MC IV fund to support mid-cap companies in North and Sub-Saharan Africa.

Sara Taylor, Director and Head of PE Funds and Co-Investments for BII, said: "Many businesses struggle to access the finance they need to

support to substantively focus on driving climate and gender impact within its investment companies.

Albert Alsina, Founder and CEO of Mediterrania Capital Partners, said: "We're thrilled to count on the ongoing trust and support of BII and welcome them to MC IV. BII's mission of helping to solve the global development challenges by investing flexible, patient capital

"This commitment serves as a cornerstone in our North African portfolio which will also enable us to tap into broader markets in Sub-Saharan Africa and deliver development impact, particularly on gender and climate related issues"

- Sara Taylor, Director and Head of PE Funds and Co-Investments for BII

grow, create jobs and contribute to local economies. That's why we are backing MC IV, a fund that provides critical capital to help businesses achieve their full potential."

"This commitment serves as a cornerstone in our North African portfolio which will also enable us to tap into broader markets in Sub-Saharan Africa and deliver development impact, particularly on gender and climate related issues," she added.

With two investments already executed (Laprophan and Cash Plus), MC IV aims to invest up to €350m in African businesses to help them reach their full operational and growth potential.

Mediterrania Capital Partners' funds target mid-cap companies operating in sectors crucial for the furtherance of development, including Financial Services, Tertiary Education, FMCG, Construction and Consumer Staples.

Beyond enhancing access to finance to targeted businesses, a new impact framework is being developed by Mediterrania Capital with BII's

in local businesses to promote productive, sustainable and inclusive economies is fully aligned with Mediterrania's values and strategy. We're looking forward to continuing to boost economies and foster whole communities' wellbeing with the financial and operational support of BII."

BII's commitment follows previous investments in Mediterrania Capital III. Over the past 10 years, Mediterrania Capital Partners has invested in 17 African SMEs and mid-size companies, delivering aggregated annual revenues of €1.5 billion and employing more than 22,000 people. Across all its investments, Mediterrania Capital Partners takes a highly proactive and hands-on approach to implementing the portfolio companies' growth strategy while leading their ESG processes. This approach enables portfolio companies to deliver superior EBITDA and revenue growth rates while promoting responsible and sustainable development.

AFEX Launches Africa Exchange



Akinyinka Akintunde,

CEO and President
AFEX Nigeria

AFEX has launched Africa Exchange, a digital platform for trading commodities, transforming the commodities space in Africa by enabling commodities market players to meet and interact both in the physical and financial markets.

Data and information crucial to decision-making are readily available on the platform, offering a comprehensive and informed trading experience.

The platform follows AFEX's first foray into digital commodities trading

Africa. With this launch, our goal is to boost the commodities market in Africa and allow more investors to participate with all the information that they need at their fingertips."

"Commodities have been high-performing assets in recent years; in 2021, commodities were the third highest performing asset class, averaging about 37.1% in returns, while stocks averaged about 36.9%. The commodities market has grown in sophistication over the years with the likes of commodity brokers and other institutional players making their mark and creating opportunities for trading. With Africa Exchange, we are opening the African commodities ecosystem to more investors and players. Through the platform, users can directly trade physical commodities or invest in commodity-backed financial

"With this launch, our goal is to boost the commodities market in Africa and allow more investors to participate with all the information that they need at their fingertips"

- Akinyinka Akintunde, CEO and President of AFEX Nigeria

with the launch of ComX in 2020.

Africa Exchange provides a structured marketplace duly regulated by Nigeria's Securities and Exchange Commission (SEC), ensuring that users can participate in various trade or investment opportunities.

Africa Exchange will replace ComX, which has served over 80,000 investors in Nigeria and facilitated trades worth over \$200m since it was launched in 2020. AFEX aims to enhance intra-African trade by strengthening commodities trading within Africa and supporting the African Continental Free Trade Agreement's (AfCFTA) mission to improve regional trade integration to boost economic development and food security across the continent.

Presently, only 14.4% of Africa's exports come from trade between African countries. However, the AfCFTA could increase intra-African trade by approximately 33% and reduce the continent's trade deficit by 51%, according to the United Nations Conference on Trade and Development (UNCTAD). In line with the United Nations Sustainable Development Goals (SDGs) 1, 2, 5, 8, and 12, the launch of Africa Exchange is a significant milestone towards achieving the AfCFTA.

The platform promotes fair market prices that help farmers earn more and increase food production. It also enables investors to diversify their portfolios while supporting the financing of the food ecosystem.

Akinyinka Akintunde, CEO and President of AFEX Nigeria, said: "As a team, we are excited and proud to launch Africa Exchange as another step in building the digital infrastructure to facilitate trade across

instruments," he added.

Alongside the platform launch, AFEX is also reintroducing its innovative Fair Trade ETC (FETC) product.

The FETC is a commodity bundle in one contract designed to provide investors with exposure to the market in a way that maximizes the risk-return balance of the underlying commodities.

The instrument has a maturity period of 270 days and historically significant returns, with both tranches in 2022 returning 31% and 20%, respectively.

The FETC opened on the Africa Exchange platform on December 1 at a unit price of just N1000, and for the first time in the product's history, it will be tradeable within the tenor period, after a 120-day hold.

Funto Olasemo, Vice President, Financial Markets at AFEX, said: "For the last eight months, we have been focused on improving our core infrastructure and delivering a better digital interface for commodities trading and investment on the continent. We have continued to also pursue product innovation, and the new tranche of our FETC product is a great example of that."

"The FETC has been a hugely successful product since we introduced it in 2020, and we have structured a tradeable component into this tranche, giving investors even more freedom as they build wealth. The team is excited that we are facilitating wealth creation for a new generation of Africans by providing them with alternative investment options to enrich their portfolios."

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CAN NIGERIA REGAIN It's Place Among the Top Destinations in Africa for Equity Investors?

By Tim Staermose, CEO, ST Funds Management



To state the obvious, things have changed massively in Nigeria since this year's Presidential Election. This was not unexpected. The Muhammadu Buhari regime had left the country in a precarious state, and no matter which of the three candidates won, the election was always going to usher in change.

But, Bola Tinubu, who has now survived all legal challenges to the legitimacy of his election win, surprised everyone — even his most senior advisors — by impulsively declaring an end to fuel subsidies during his inauguration speech, and jailing the former central bank governor the very next day.

Immediately, two of the biggest issues were put front and centre: the exchange rate system, where several different official and unofficial rates persisted, and oil industry reform.

The population has been wincing in pain since, as petrol prices, long held at very low, subsidised rates, went up 6-fold overnight. With the official exchange rate adjusting to nearer 800 from around 450 to the US dollar, the cost of imports, on which Nigeria depends heavily, has

they were willing to suck up the temporary pain, if it is necessary for a long-term gain.

President Tinubu has perhaps been a little reckless, in announcing these big policy changes before the infrastructure was in place to properly implement them, and many of his technocrats are no doubt muttering under their breath as they try and effect policy on the fly.

But, politically, I think it was a masterstroke, as it gives him the longest possible runway until the next election to effect some meaningful change.

The question is . . .

WILL THE POST-ELECTION POLICIES BY THE NEW NIGERIAN GOVERNMENT WORK TO BRING FOREIGN INVESTORS BACK?

All the policymakers who gave speeches, and with whom I spoke on the sidelines of the meetings I attended in Lagos and Abuja last month, said all the right things. But, as ever, the real question is whether they can execute.

Clearing foreign exchange backlogs for those waiting in the redemption and repatriation queue, and getting the foreign exchange market to function properly again, with sufficient depth and liquidity is one big priority. On a recent day, where over \$100m traded at the official FX

“Bola Tinubu, who has now survived all legal challenges to the legitimacy of his election win, surprised everyone — even his most senior advisors — by impulsively declaring an end to fuel subsidies during his inauguration speech, and jailing the former central bank governor the very next day

also surged, and inflation has soared. The latest print on annual food inflation was 31.52% in October. This is clearly not sustainable, and policymakers will have to tackle it.

But Nigerians are resilient and they are adapting. On a recent visit, more than one person I spoke to from the rank and file — not the guys in fancy suits who are paid to tell me what I want to hear — said that

window, which was a healthy volume, the exchange rates at which the US dollar traded ranged from NGN701.00 to NGN1,130.00 for spot transactions from NGN790.00 to N819.90 for forward transactions. So there is still a huge range, and instability.

Getting more oil out of the country's oil fields, and into local refineries, such as the massive new Dangote one, as well as refurbishing the

government's own mothballed refineries, are the other top priorities.

The Nigerian government's budget for 2024 projects oil production of just over 1.7 million barrels a day. OPEC has given Nigeria a quota of 1.5 million barrels a day. If these levels are met, and oil prices stay elevated, there is a good chance that adequate foreign exchange receipts will again start to flow into Nigeria.

Tax reform is another high priority for the new government. They recognize it is a key part of the task to make it more attractive for foreign investors to come to Nigeria. The many taxes and levies at the Federal level, added to all the ones at the local state government level

even "Frontier."

MSCI followed suit, reclassifying Nigeria to a standalone market status, from "Frontier."

S&P may well be next to remove Nigeria from its Frontier market indices.

Often, as contrarians will tell you, this sort of development marks the end of the bottoming process. Another recent event consistent with this was the closing of the Nigerian equities ETF that had been listed on the New York Stock Exchange.

But key to the attractiveness of the Nigerian market for future foreign

"For now, I am cautiously optimistic short-term on Nigeria, and more bullish long term, as reform measures have time to positively affect the economy"

are a massive deterrent to business. The government recognises that, but as with anything, a turf war over taxation rights with the states is a tough political battle to win.

All in all, I felt the mood in Nigeria was generally more positive than when I last visited, in September 2022. People are generally optimistic that things can get better. There are no riots in the streets, though food inflation is running at over 30% and overall inflation is in the high 20s. People are getting on with life, working hard to make ends meet.

Food inflation has hit 40% before, back in the early and mid-2000s. But each time things came back under control within a few quarters. The Nigerian economy and stock market actually boomed from 1Q2005 to 1Q2008 when the last big inflation spike came back under control.

The same is the case now. The Nigerian Stock Exchange, is in fact, at a 15-year high, in Naira terms, and up nearly 40% year to date.

And yet...

THE BROAD CONSENSUS ON NIGERIAN STOCKS FROM FOREIGN INVESTORS IS STILL VERY BEARISH

London Stock Exchange Group's FTSE Russel indices downgraded Nigeria to an "unclassified" market status in September 2023, below

investment is the level of the Naira, which hovers in the 800 to 900 range at the new official, "willing buyer willing seller," foreign exchange window, and at around 1,100 on the parallel market.

My feeling from spending my own money on the ground was that, even at a rate of 1,000, the country is too cheap. Similar goods and services are selling at much cheaper USD prices in Nigeria than in most other places now. I think, in time, the Naira can appreciate.

But we will not see any meaningful strengthening of the Naira until there is adequate liquidity and depth on the official FX market, and that is still a work in progress.

For now, I am cautiously optimistic short-term on Nigeria, and more bullish long term, as reform measures have time to positively affect the economy.

I believe there is a very real chance of things turning around for Africa's sleeping, mismanaged giant.

But it will evidently take time for foreign investors to come back. From speaking with others who were on the recent investment research trip with me, none were keen to leap in and add exposure. More than one was still trying to take money out, and not likely to come back.

WHY RULES-BASED FUNDS Will Continue to Dominate Future Flows



By Kingsley Williams (L), Chief Investment Officer and Nico Katzke (R), Head of Portfolio Solutions at Satrx

The Satrx Balanced Index Fund (with assets under management of R9.5 billion) has recently turned ten. Over this decade, the fund's consistent performance demonstrates why rules-based or indexed balanced funds are dominating their category.

Satrx attributes the fund's consistent performance to a rigorous and systematic Strategic Asset Allocation process, which focusses on the

class, we track indices that provide investors with cost effective and representative performance of each asset class. By focussing on getting our building block balance right, we have succeeded in gaining a long-term edge. The self-enforced discipline of not tactically changing course in the short term keeps costs, both management and trading, lower while allowing our strategic positioning to pay off. We review our position every two years and only make changes

“Since inception, the fund has consistently been in the top quartile of performers more than half the time on a rolling three-year basis, while beating the median active fund 91% of the time over the same period

medium to long term, while ignoring the noise in the short term. The proof of our pioneering approach is in the pudding. Since inception, the fund has consistently been in the top quartile of performers more than half the time on a rolling three-year basis, while beating the median active fund 91% of the time over the same period. On a rolling five-year basis, it has never underperformed the median active fund, lending credence to our long-term approach.

A REVOLUTIONARY APPROACH

In 2013, the Satrx Balanced Index Fund was one of the early adopters of an indexed or rules-based approach to constructing multi-asset funds locally. In the multi-asset space, from an active management perspective, you can add value at building block level in terms of strategic asset allocation to different asset classes, including equities, bonds, commodities, etc., as well as timing your trades within each asset class. Active managers in this space can tactically change allocation both between and within asset classes – with varying degrees of success.

Satrx chose to do neither. Instead of actively managing each asset

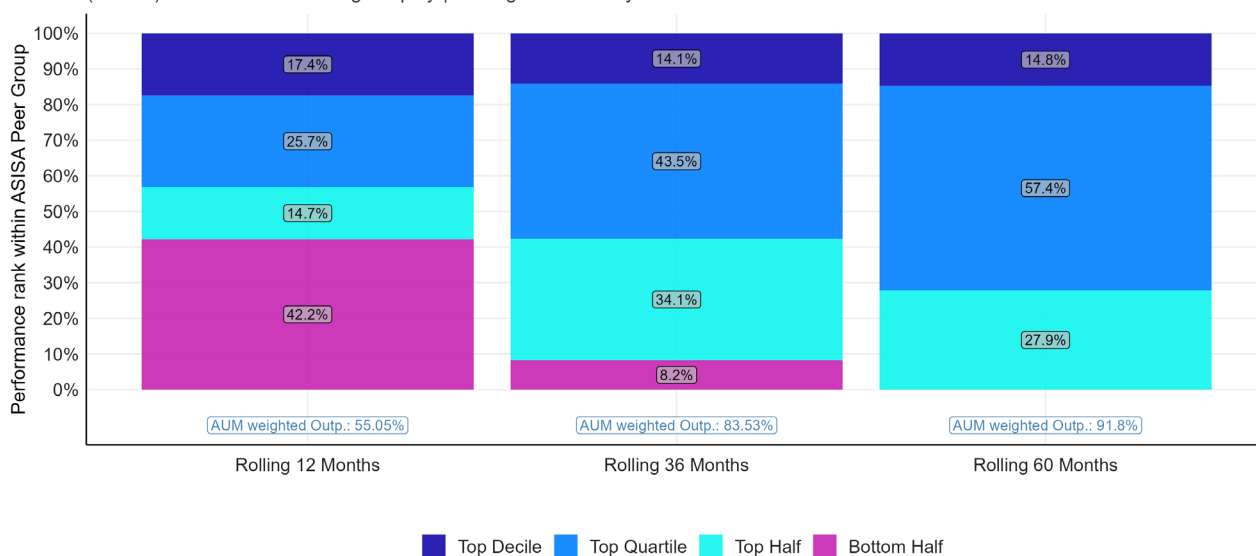
if we deem it necessary. Research has shown that acting more often seldom adds value and definitely adds cost. We believe this approach puts the odds firmly in favour of investors to outperform their more active counterparts.

OUR BALANCED INDEX FUNDS' KEY DIFFERENTIATORS:

- 1. The Evidence Is In The Returns:** Despite the upside potential of tactical asset allocation, the difference between active managers' and rules-based providers' returns has been remarkably small. Most rules-based funds have consistently done very well, which raises the question of whether investors are being adequately compensated through more expensive offerings. In fact, often human intervention ends up destroying value rather than adding it – the global research on this is quite clear in that more than 90% of return and volatility variation comes down to setting strategic asset allocations¹. For this reason, we focus entirely on getting the strategic asset allocation right.
- 2. The Fee Differential:** Rules-based funds offer a lower pricing

Consistency Comparison within ASISA Peer Group: Satrix Balanced Index Fund A1

(ASISA) South African MA High Equity | Rolling Consistency: Nov 2013 - Oct 2023



Source: Satrix. Data: Morningstar. November 2013 – October 2023

point, which compounds the value proposition of robust returns. Over the medium to longer term, active managers need to be correct quite often in their tactical decisions to justify a higher fee – which has proven exceedingly hard to do consistently, especially as markets are becoming more efficient and complex.

THE SECRET SAUCE: THE DIFFERENTIATORS THAT SET SATRIX APART:

The consistent performance of the Satrix Balanced Index Fund is tied to two critical differentiators

1. STRUCTURAL PREMIUMS CAPTURED

A key differentiator for the Satrix Balanced Index funds is that the local equity building blocks make use of Satrix’s multi-factor index portfolio, SmartCore™. Multi-factor strategies offer exposure to risk premiums shown to pay off over the medium to longer term. SmartCore™ offers a refined core exposure to the local equity market. Global and local research suggests that certain company features, including measures of value and balance sheet quality, as well as positive price and earnings momentum, make them more likely to outperform at lower drawdowns. The strategy systematically captures these factor premiums while explicitly targeting risk, both on an absolute basis and relative to the local benchmark index. This aligns with our overall philosophy of exposing our clients’ assets to longer-term sources of return.

2. CONSTRUCTION

The biennial research-intensive process that Satrix employs for our Strategic Asset Allocation review is our other key performance differentiator. Being part of the larger Sanlam Investment Group, we can access multiple perspectives to thoroughly review each of our considered asset classes’ expected returns over the medium to long term. That’s one key variable in the optimisation process; the other is cutting-edge optimisation techniques that enable us to understand the risk interplay between the asset classes.

We do a significant amount of stress testing to arrive at the

most efficient portfolio possible, under different assumptions and scenarios. The biennial review also allows us to update the balanced fund according to regulatory changes and newly accessible asset classes. For example, we recently included global listed infrastructure as this provides a source of differentiated equity returns in an otherwise US and technology-dominated global equity universe. Even with significantly reduced expected return forecasts, our optimisation approaches ‘love’ infrastructure because of how it behaves with other asset classes, and further diversifies the portfolio.

Crucially, the process is systematic; so, the asset allocation is not changed according to market swings and is only reviewed once every two years. In this way, the fund is being actively managed, but not in a traditional, tactical sense.

A key consideration for Satrix is building solutions that are optimally diversified with sufficient upside potential. True diversification is all about putting your eggs in uncorrelated baskets in the most efficient way possible. This involves prioritising risk source diversification so that the fortunes of our funds are not decided by singular events.

THE MARKET IS STARTING TO NOTICE

While rules-based funds still account for a comparatively small proportion of assets within the balanced fund categories (according to Morningstar numbers, roughly 8% and 6% for high- and low-equity balanced fund strategies respectively), the market is starting to notice.

We’ve seen up to half of all flows in the high equity balanced fund segment going to rules-based strategies in the last year. With a few of these index strategies now having reached ten-year milestones on the back of performances superior to most active managers, the case for indexation in balanced funds has never been stronger. We believe a disciplined, indexed approach puts the odds firmly in favour of clients with an eye to long-term wealth creation.

*Satrix is a division of Sanlam Investment Management

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	November	3-Month	1-Year
Botswana	2.15%	5.30%	5.30%
Egypt	1.36%	4.44%	-10.74%
Ghana	0.64%	-19.76%	-34.68%
Kenya	-3.40%	-5.43%	-18.99%
Mauritius	0.15%	1.36%	4.93%
Morocco	3.12%	2.49%	5.47%
Namibia	1.45%	4.14%	6.35%
S&P/FMDQ Nigeria	12.93%	-5.96%	-39.54%
South Africa	3.68%	3.96%	-2.58%
Tanzania	-1.85%	-2.24%	-4.14%
Uganda	0.96%	2.43%	23.34%
Zambia	-5.41%	-2.81%	-1.45%

Source: S&P Dow Jones Indices

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	November	3-Month	1-Year
Botswana	1.66%	5.80%	18.48%
Cote d'Ivoire	5.64%	4.22%	28.71%
Egypt	13.93%	39.36%	60.22%
Ghana	0.16%	-2.69%	47.03%
Kenya	0.73%	-12.65%	-38.53%
Malawi	-33.50%	-46.09%	25.24%
Mauritius	2.00%	3.50%	2.54%
Morocco	0.33%	-0.72%	17.89%
Namibia	0.70%	4.35%	40.84%
Nigeria	19.60%	4.73%	0.43%
Rwanda	-1.01%	-3.00%	-1.20%
South Africa	6.82%	2.04%	-8.50%
Tanzania	2.56%	6.91%	13.48%
Tunisia	4.30%	-4.65%	10.26%
Uganda	-0.76%	4.35%	41.10%
Zambia	8.70%	19.30%	18.77%

Source: S&P Dow Jones Indices

MARKET FOCUS: SOUTH AFRICA

By Tim Acker, Portfolio Manager, Allan Gray

There was a resurgence of political instability in Central Africa during the third quarter of 2023. The military coup d'état in Gabon saw its president placed under house arrest, igniting fears of further neighbouring security threats and doing damage to regional government bond prices. Barely one month prior, a successful military coup overthrew the government of the region's close West African neighbour Niger. In addition, Central African countries have been fiscally deteriorating for several years. Some of this can be traced to many of them having undiversified economies relying largely on net exports of oil. Aside from political instability and jihadist military threats, some also face the issue of maturing local oil fields in the context of an economic Dutch disease (or resource curse), which has seen them with no alternative revenue sources that are material enough to support social welfare and fund government activities. Borrowing rates that they can achieve via the Eurobond markets have been prohibitively high, forcing them to rely in large part on support from multiple rounds of IMF development funding programmes.

Exposure to oil producers is an important diversifier in the Fund given that many African countries are net importers of oil or refined fuel

and will therefore underperform in a high oil price environment, as the high cost of fuel imports leads to current account deficits, creates foreign exchange shortages and eats into government revenues via fuel subsidies. The Fund has no exposure to Central African countries like Cameroon, Gabon and the Republic of the Congo, or to any members of CEMAC. We have not felt comfortable with the balance of risks. Instead, most of our oil-producing exposure comes from Seplat and Tullow Oil, which were our best-performing positions over the last quarter, rising between 4% and 22% on an unannualised basis. During the quarter, we trimmed our Côte d'Ivoire bond holdings into market strength, selling them at a weighted average US dollar yield of 8.3%. We remain very comfortable with the investment case and see upside from a diversified agricultural export base and new deepwater oil and gas fields. They also benefit from a very long offshore debt maturity profile of 11 years, with no imminent refinancing risks, as well as an interest burden that is extremely low relative to tax revenue raised (and, in fact, lower than South Africa's on this metric). While the absolute yields on our Côte d'Ivoire bonds remain high, the spread versus US Treasury yields is tighter than that observed over the last five to 10 years, warranting a minor dilution of the position.

PRIVATE EQUITY FUNDS & DEALS

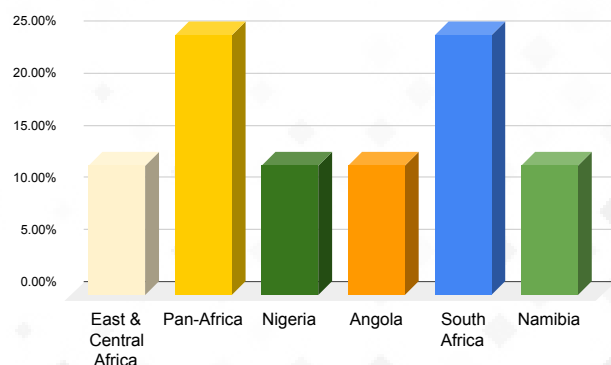
(as of 30th November 2023)

DEALS

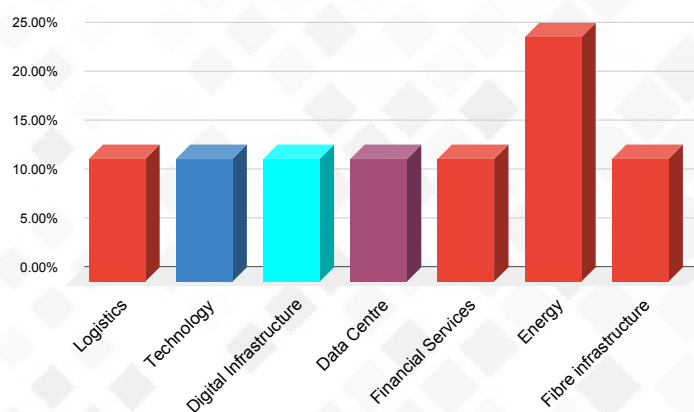
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
BluePeak Private Capital	Prime Logistics	Logistics	East & Central Africa	Hybrid loan	\$20m
Convergence Partners // IDA	CSquared Link Holdings	Technology	Pan-Africa	Growth Equity	\$25m
Development Partners International // Verod Capital	Pan African Towers	Digital Infrastructure	Nigeria	Buyout	Undisclosed
Emerging Africa Infrastructure Fund // Ninety One	Paratus Group	Data Centre	Angola	Debt	\$31m
Green Climate Fund	REPP 2	Financial Services	Pan-Africa	Equity	\$50m
Inspired Evolution // FMO // STOA Infra and Energy	Red Rocket Group	Energy	South Africa	Buyout	Undisclosed
Namibia Infrastructure Development and Investment Fund	Lightstruck Holdings	Fibre infrastructure	Namibia	Equity and preference shares	Undisclosed
STOA // DFC // Proparco	Husk Power Systems	Energy	Pan-Africa	Growth Equity	\$43m

DEALS BY COUNTRY



DEALS BY INDUSTRY



EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Sanlam Private Equity	Absolute Pets	Pet Care	South Africa	Woolworths Holdings	Trade Sale

FUNDRAISING

Company	Fund	Geography	Style	Sectors	First Close	Target	Date Announced
n/a							

Source: AGF

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM (\$m)	Strategy	Focus	Domicile	Type	Start
337 Frontier Capital - Kimberlite Frontier Africa Fund (as-of 2023-09-29)										
12.93	2.32	18.81	10.56	-1.57		Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
African Domestic Bond Fund (as-of 2023-10-31)										
	0.5	-5.2	-23.7	7.4		ETF - local currency FI	African region	Mauritius	Open-End	9/18
African Lions Fund (as-of 2023-09-29)										
6.95	2.73	8.34	46.03		21.33 (09/23)	Equity	SSA ex-SA	BVI	Open-End	10/20
Allan Gray Africa Bond Fund (as-of 2023-11-30)										
10.5		11.6	1.4	4.3	295.00 (11/23)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2023-11-30)										
9.2		20.1	11.8	3	422.00 (11/23)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Alquity Africa Fund (as-of 2023-11-30)										
-6.84	3.34	-2.4	-4.42	-3.52	2.88 (11/23)	Equity	African region	Luxembourg	SICAV	6/10
Bellevue Funds Lux - BB African Opportunities (as-of 2023-11-30)										
-10.47	1.58	-10.66	-3.96	-4.01	39.32 (11/23)	Equity	African region	Luxembourg	SICAV	6/09
Commonwealth Africa Fund (as-of 2023-11-30)										
-8.67	4.75	-11.77	3	-1.91	2.99 (11/23)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2023-11-30)										
-12.33	-9.41	-9.46	1.52	-5.07	220.61 (11/23)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
DWS Invest Africa (as-of 2023-11-30)										
	3.77	-1.93	0.81	-1.28	21.23 (11/23)	Equity	African region	Luxembourg	SICAV	07/08
EFG-Hermes MEDA Fund (as-of 2023-11-30)										
8.75	2.75	13	24.04	16.89		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Emerging Africa Bond Fund (as-of 2023-09-29)										
-6.48					1.56 (09/23)	Fixed Income	African region	Mauritius	Open-End	09/16
Enko Africa Debt Fund (as-of 2023-11-30)										
14.37	1.5	18.49	8.68	14.87	596.70 (11/23)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2023-11-30)										
3.2	3.14	8.54	-11.17	-4.52	212.69 (11/23)	Equity	EMEA	Luxembourg	SICAV	06/07
Imara Africa Fund (as-of 2023-09-29)										
-18.24	-8.28	-13.39	-8.4	-6.85		Equity	African region	Cayman Isl.	Open-End	04/09
Imara African Opportunities Fund (as-of 2023-09-29)										
-13.63	-4.41	-9.95	-9.94	-10.03		Equity	African region	BVI	Open-End	6/05

DISCLAIMER: All data is provided "as is" for your information and personal use only, and is not intended for trading purposes or advice.

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM (\$m)	Strategy	Focus	Domicile	Type	Start
JPMorgan Funds - Africa Equity Fund (A) (as-of 2023-11-30)										
-11.83	-1.22	-10.93	-6.25	-3.72	76.68 (11/23)	Equity	African region	Luxembourg	SICAV	5/08
Laurium Limpopo Master Fund (as-of 2023-09-29)										
5.45	0.76	15.36	0.4	-2.44	153.70 (08/23)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2023-09-29)										
-11.77	-4.89	-4.19	-4.88	-6.52		Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2023-10-31)										
	-0.2	-4.5	-24.9	-6.2		Fixed Income	African region	Mauritius	Open-End	2/14
Ninety One Premier - Africa Fund A (as-of 2023-11-30)										
-6.52	-3.54	-18.36	-30.82	-21.59	0.52 (11/23)	Equity	African region	Guernsey	Open-End	01/07
Old Mutual African Frontiers Flexible Income Fund (as-of 2023-11-30)										
3.9	5.28	7.85			21.34 (11/23)	Fixed Income	African region	Ireland	OEIC	05/22
Old Mutual African Frontiers Fund (as-of 2023-11-30)										
-0.47	-2.59	-5.24	-0.41		230.10 (11/23)	Equity	Africa ex-SA	Ireland	Open-End	5/10
Optis African Frontier Fund (as-of 2023-07-31)										
-4.77	-5.57	-3.71	-10.14		18.29 (07/23)	Equity	African region	BVI	Open-End	8/09
Robeco Afrika (as-of 2023-09-29)										
-5.27	0.23	1.35	7.2	-0.2	20.50 (09/23)	Equity	African region	Netherlands	Open-End	6/08
Sanlam Africa Equity Fund (as-of 2023-11-30)										
-6.36	4.26	-2.82	3.21	-0.36		Equity	Africa ex-SA	Ireland	Open-End	07/15
Sanlam Centre Africa Equity Fund (as-of 2023-11-30)										
1.42	7.96	4.22			59.84 (11/23)	Equity	Africa ex-SA	Cayman Islands	Open-End	05/19
Steyn Capital Africa Fund (as-of 2023-11-30)										
9.81	-0.12	17.07	14.48	0.89	156.00 (11/23)	Equity	Africa ex-SA	Malta	SICAV	09/11
Sustainable Capital Africa Alpha Fund (as-of 2023-09-29)										
3.1	-0.18	8.2	6.41	-0.07		Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2023-09-29)										
-4.45	-1.28	0.76	-1.6	-5.88		Equity	Africa ex-SA	Holland	Open-End	03/08
T. Rowe Price Africa & Middle East Fund (as-of 2023-11-30)										
4.93	6.02	0.88	10.83	5.8	94.33 (11/23)	Equity	MENA & SSA	United States	Open-End	10/11

INVESTING IN FINTECH

for Systemic Change



For the last ten years, Flourish Ventures has identified Africa as a critical region for their global investment focus. With existing portfolio companies in Kenya, Nigeria, Ghana, and Egypt, Flourish has a proven track record of significant and successful investments in Nigerian-founded unicorn Flutterwave, and Egyptian fintech, Flash.

Africa Global Funds (AGF) speaks with Arjuna Costa (AC), Co-Founder & Managing Partner, Flourish Ventures about its latest fund and the current state of investments in Africa's fintech.

AGF: PLEASE TELL US ABOUT FLOURISH VENTURES AND YOUR LATEST FUND.

AC: Flourish is an early-stage global venture capital firm that backs entrepreneurs whose innovations advance financial health and prosperity for individuals and small businesses. We recently secured an additional \$350m of capital and now are poised, with \$850m under management, to broaden our portfolio of 71 global fintech investments and 18 ecosystem partners. Our evergreen fund uniquely positions us to work flexibly alongside mission-driven entrepreneurs and industry thought leaders to build towards a fair finance system.

AGF: WHAT IS THE CURRENT STATE OF INVESTMENTS IN AFRICA'S FINTECH?

AC: We have seen some thematic shifts worth noting: The fintech landscape is still dominated by the big four countries and by two sectors

- Kenya, Nigeria, Egypt, South Africa receive over ninety percent (90%) of all funding
- The two most dominant sectors are Payments/ Remittance (48%) and lending (38%)

However, two innovations are leading to new opportunities

- The digitisation of merchants is leading to more Banking-as-a-Service (BaaS) and Business-to-Business (B2B) fintech solutions, although still in early days.
- The growth of stable coins has added true liquidity to the market, facilitating cross-border money transfers.

Long term, there is lots of room for growth - Africa will be the fastest growing region for fintech revenue from now until 2030.

Funding has continued to decline recently due to many factors. For context, funding in the first nine months of 2023 was down by 48% year-on-year versus the first nine months of 2022.

SEVERAL FACTORS ARE CONTRIBUTING

Macro conditions are negatively affecting individual countries

- Nigeria & Egypt currencies are experiencing rapid inflation and their economies are unstable.
- Kenya is suffering from hyperinflation as well. There is political unrest with transition of power, along with uncertainty around

Eurobond due in Q2 2024.

THERE HAS BEEN PULLBACK FROM FOREIGN INVESTORS:

- Investors from developed markets are choosing to reallocate capital to their rest of world portfolio (last one in, first one out).
- Rising interest rates means there are attractive deals in other markets.

Mergers & Acquisitions have become far more common as struggling companies seek to find a home amid a challenging funding landscape.

AGF: WHAT'S YOUR INVESTMENT STRATEGY AND IN WHICH AFRICAN COUNTRIES DO YOU SEE OPPORTUNITIES?

AC: We anticipate one to five million dollars investments in pioneering fintech companies at the Seed and Series A stage.

We prioritise the big four markets due to their market size and market demonstration and replication potential.

AGF: WHAT IS THE TARGETED IMPACT FOR YOUR \$350M FUND?

AC: We seek to back three to four African startups each year in the fintech space, while continuing to support our existing portfolio companies with follow-on capital as needed.

We look to invest in innovative models that have the potential to scale profitably, demonstrate new technologies and business models that can be replicated in other markets, and help build a more fair financial system.

AGF: WHAT'S YOUR OUTLOOK FOR THE FINTECH STARTUP INVESTMENT SPACE IN 2024?

AC: Due to macro-uncertainty, there will continue to be a decline in funding vs. what we saw in 2021 and 2022.

Mergers and acquisitions will increase as well-funded players look for inorganic expansion and great deals on companies struggling to find funding.

B2B fintech and payments in domestic and cross-border will dominate the funding landscape.

Climate finance will take a front row as several investors have raised funds to deploy into the sector.

Artificial Intelligence will begin to play a bigger role in organisational efficiency and product innovation.



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