

# AFRICA

## GLOBAL FUNDS

# OUTLOOK

## 2026

**WHY AFRICA'S M&A MARKET BUCKED THE GLOBAL GROWTH TREND IN 2025**

**PHATISA TARGETS \$300M FOR THIRD AFRICA FOOD FUND**

**TRANSITION MANAGERS PRESERVE VALUE WHEN CHANGING PORTFOLIO STRATEGIES**

# Your Insight Into African Asset Management



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**A**fter several turbulent years marked by fiscal strain, currency dislocations and subdued investor confidence, Africa's investment landscape is entering 2026 on a markedly firmer footing. Improving macro stability, reform momentum across key economies and a more supportive global backdrop have driven a sharp recovery in performance during 2025, reigniting global interest in the continent's equity and debt markets. In this Outlook 2026 interview, leading African equity investors from Allan Gray, Robeco and Old Mutual Investment Group share their perspectives on the macro environment, valuations, sector opportunities, portfolio positioning, liquidity conditions and the key risks investors should be watching in the year ahead. (pp.12-14).

Africa's M&A deal value declined 24% year-on-year, contrasting sharply with a 10% global increase and highlighting the continent's more cautious dealmaking environment, according to the 22nd annual Global M&A Report from Boston Consulting Group. Africa Global Funds spoke with Ghita Lahlou, Managing Director and Partner at BCG in Casablanca, to discuss what's driving regional differences and where opportunities lie for dealmakers navigating Africa's evolving M&A landscape (p.16-17).

In this month's issue, we also spoke with Phatisa's Managing Partner, Stuart Bradley, who in an exclusive interview revealed that the firm is raising its third food fund, targeting \$300m, and has already secured capital commitments from a number of aligned development finance institutions ahead of a first close in early 2026 (p.4).

In this month's issue, we also examine the often-overlooked risks involved when pension funds and asset managers change portfolio strategies, and how effective transition management can play a critical role in preserving value. Drawing on insights from Standard Bank CIB and its global transition management partner, Northern Trust, the article highlights why portfolio transitions should be treated as a specialist investment function rather than a routine administrative exercise (p.20).

**As we close out the year, the team at Africa Global Funds would like to thank you for your continued support and engagement throughout 2025. We wish you and your loved ones a joyful Christmas, a restful festive season, and a prosperous New Year. We look forward to sharing more insights, ideas and conversations on Africa's investment landscape with you in 2026.**

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**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](mailto:a.lyudvig@africaglobalfunds.com)**

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Best regards,  
**Anna Lyudvig**  
 Managing Editor

# Phatisa Targets \$300m for Third Africa Food Fund



## Stuart Bradley

Managing Partner  
Phatisa

**P**hatisa, an African private equity fund manager, is raising its third food fund, with a target of \$300m and having secured capital commitments from a number of aligned development finance institutions for a first close in early

2026, Africa Global Funds can reveal.

“We believe this is a compelling time to gain exposure to Africa’s rapidly evolving food sector. The combination of rapid population growth, market inefficiencies, information asymmetries, relative scarcity of risk capital despite the need for steep improvements in yields and application of technology and know-how, presents many companies that are well-positioned for rapid growth,” Stuart

To date, Phatisa investees have contributed to over 5 million tonnes of food production/ food-related products, employed over 19,000 people, supported more than 120,000 smallholder farmers, helped reduce food waste and implemented circular-economy initiatives.

Phatisa incorporates farmers in agriculture value chains equitably and sustainably. Phatisa supports investees to develop Paris-aligned decarbonisation strategies, targeting net zero by 2050 or earlier.

“We align to TCFD, TNFD, OPIM (overall performance score of 90% at last verification), iCI, PRI and ILO, amongst others,” Bradley said.

Like its predecessor, Fund 3 will target 2X certification with aligned data-collection mechanisms.

“Phatisa will raise a third technical assistance facility, building on the success of the prior two facilities in delivering additional impact

## “Phatisa’s focus is to enhance Africa’s agribusiness and food value-chain sustainability via climate-focused investment

Stuart Bradley, Managing Partner, Phatisa

Bradley, Managing Partner, Phatisa, said.

“They require well-structured risk capital underpinned by deep engagement from an aligned investor, with strong networks across and beyond the continent. Furthermore, incorporated into their expansion strategies must be robust climate-change adaptation and resilience measures. Corporate professionalisation, introduction of new skills, best practices and AI are also critical to their future success,” he told Africa Global Funds.

Phatisa focuses on the food value chain: agri-inputs (seeds, crop protection, fertiliser and agri-tech) and downstream activities (processing, food production, cold chain, storage and logistics, food distribution (retail) and services). Phatisa does not invest in primary agriculture.

According to Bradley, Impact is at the core of Phatisa’s investment strategy.

“Phatisa’s focus is to enhance Africa’s agribusiness and food value-chain sustainability via climate-focused investment,” he said.

By embedding Environmental, Social, and Governance (ESG) principles into every investment, Phatisa has ensured that impact objectives are pursued alongside financial performance.

around an investee - supply chain, customers, smallholders, rural communities and climate,” Bradley said.

Founded in 2005, Phatisa is an African private equity fund manager headquartered in Mauritius and has offices in Johannesburg, Nairobi and Lusaka.

The firm has invested over \$380m in two Funds and made 16 investments in the agribusiness and food value chain in over 20 countries across the continent, and has achieved eight exits, with another two in progress.

Phatisa is currently investing Phatisa Food Fund 2 - targeting the African food value chain, with the objective of positively impacting food security in the sub-Saharan region. Food Fund 2 builds on the successes, learnings & investment approaches of their Food Fund 1 and Housing Fund - both of which are fully invested and partially realised.

“Looking forward, we remain committed to responsible finance for development and continued success, which for us means more than just the bottom line. We are a commercial impact investor: we generate returns for our investors and we deliver shared value,” Bradley concluded.

## LAUNCHES

# FSD Africa to Launch \$30m Venture Fund

**F**SD Africa has announced a new \$25-30m Inclusive Insurtech Investment Fund (3iF) to open the way for more private investment in the insurance technology (insurtech) sector, accelerate insurance innovation and close the continent's protection gap.

3iF is a pan-African venture capital fund targeting early-stage insurtech startups that expand insurance access, affordability, and awareness - particularly in climate resilience, health, and financial inclusion among underserved populations.

Building on the BimaLab Accelerator Programme, which has supported over 135 startups in 28 countries to date, 3iF aims to bridge the financing gap that prevents promising tech-enabled solutions from scaling and addressing Africa's substantial insurance protection gap.

Expected to launch in January 2026, the Fund's blended structure combines junior equity from catalytic investors, anchored by FSD Africa Investments (FSDAi), FSD Africa's investment arm, with senior equity from commercial and strategic investors led by Zep Re.

3iF will provide investment growth capital to successful graduates

Godfrey Kiptum, MBS, CEO and Commissioner, Insurance Regulatory Authority (IRA), Kenya, said: "By strengthening the regulatory environment, we are laying the foundation for a more resilient and inclusive insurance ecosystem for Africa's next decade. Building regulatory readiness for innovation is key, and BimaLab's new toolkit will be an invaluable resource not only for us here in Kenya, but for African regulators across the continent."

Africa faces a major protection gap, with insurance penetration below 3% in most countries.

This leaves individuals, small businesses, and vulnerable communities exposed to risks they cannot recover from quickly. Around 80% of economic losses from natural disasters went uninsured in 2022, up from 58% in 2021.

Launched in Kenya in July 2020 by the IRA and FSD Africa, the BimaLab Accelerator Programme has become Africa's leading insurance innovation platform.

It aims to harness technology innovations that increase insurance penetration among low-income and underserved communities and is

**"The launch of the 3i Fund opens an exciting new chapter for insurance innovation in Africa. By investing in the next generation of insurtech pioneers, we are unlocking opportunities to expand access, affordability, and resilience for millions"**

Kelvin Massingham, Director, Adaptation and Resilience, FSD Africa

of BimaLab as well as other promising ventures, complementing the BimaLab ecosystem.

Kelvin Massingham, Director, Adaptation and Resilience, FSD Africa, said: "The launch of the 3i Fund opens an exciting new chapter for insurance innovation in Africa. By investing in the next generation of insurtech pioneers, we are unlocking opportunities to expand access, affordability, and resilience for millions across the continent. Our goal is to empower visionary startups to transform how insurance works for everyone—driving inclusive growth, climate resilience, and financial security for Africa's future."

A new Regulatory Sandbox Eligibility Assessment Toolkit was also launched, a practical resource designed to help African insurance regulators to quantify the level of impact new insurtech innovations will have on their economies, supporting further investment, testing and development of impactful innovations within regulatory sandboxes.

The toolkit is designed to streamline how regulators evaluate emerging insurtech models, lower barriers for startups, and ultimately expand access to affordable risk protection, particularly for informal workers, rural communities, smallholder farmers, and low-income households.

a key component of FSD Africa's mission to build resilient, inclusive financial markets across the continent of Africa.

BimaLab was created to foster innovation and accelerate the development of insurtech product development and distribution, helping startups to scale and develop market-ready solutions, and supporting regulatory engagement and inclusivity throughout the insurance sector.

Elias Omondi, Principal of Innovation for Resilience, said: "Africa's protection gap is not just a market failure, it's a capacity and capital gap. BimaLab Africa Insurtech Accelerator combines focused technical support with catalytic funding, we enable insurtechs to de-risk innovation, scale inclusive products and reach the millions who remain unprotected."

Ted Pantone, CEO and Co-founder of Turaco, a Kenyan micro-insurance company showcasing its innovative insurance products at the Summit, commented: "Our vision when we launched in 2019 was to insure 1 billion people across the continent, and already, with BimaLab's ongoing support, we have successfully expanded to Uganda, Nigeria and Ghana, and are now insuring over 1 million customers and processing over 20,000 claims. We are proof that this programme really works."

## LAUNCHES

# MCB Group and Omnicane Launch Vehicle to Finance Renewable Energy Projects



**Rony Lam**  
CEO  
MCB Capital Markets

**M**CB Group and Omnicane have launched an investment vehicle dedicated to the financing of renewable energy projects in Mauritius and the region.

The vehicle is designed to finance regional investments in solar, hydro and wind powered projects.

Rony Lam, CEO of MCB Capital Markets, said: "This consortium brings together the skills and capabilities of a power producer, renewable energy specialist and financier in crystallising a carbon-avoidance project. The transaction demonstrates MCB's commitment to investing in renewable projects and contributing to the energy transition of Mauritius."

The first project financed by the consortium is the development of a 4.8 MW photovoltaic plant in Poudre d'Or, located in the north of the island.

The project is currently under construction and will be operated under the Medium-Scale Distributed Generation (MSDG) Scheme of the Central Electricity Board (CEB), the national electricity company.

The project comprises two solar farms, with connection agreements signed between CEB and two prosumers, MCB and Omnicane Milling, in collaboration with Calycé International.

Built by Ecoasis Energy Solutions, a Mauritian contractor, the plant will feature around 8,200 solar panels across four hectares of land and is expected to reduce CO<sub>2</sub> emissions by approximately 7,000 tons per year, with commissioning expected by April 2026.

The solar farms will integrate Agrivoltaic practices that promotes food security objectives.

The launch phase has been financed through funds advanced by the shareholders and a Green Bond issued in accordance with the International Capital Markets Association (ICMA) principles.

MCB Financial Advisers, the advisory arm of MCB Group, structured the financing and acted as Transaction Advisor to the investing consortium.

This initiative shall contribute directly to MCB Group's goal of reducing CO<sub>2</sub> emissions associated to its electricity consumption.

The project, which will result in MCB Group and Omnicane generating approximately 7,700 MWh of renewable energy each year, underscores the partners' commitment to supporting the Government of Mauritius' target of achieving 60% renewable energy in the national electricity mix and phasing out of coal by 2035.

The partnership shall benefit from the expertise of Omnicane, a key player in the local energy sector, with a presence in East Africa through its 5.5 MW hydro power plant, of Calycé, a French renewable energy developer with over two decades of experience in designing, building, and operating solar and wind projects across Europe, and of MCB Group, a leader in structuring and financing renewable energy projects.

Jacques M. d'Unienville, CEO of Omnicane said: "We are very proud of this partnership with MCB Group and Calycé, and closing this first project. This paves the way for an impactful solution enabling the deployment of renewable energy projects in Mauritius and in the region."

Eric Boban, CEO of Calycé, said: "We are very excited about this long-term collaboration with our partners, MCB Group and Omnicane. Mauritius is key to our international expansion in renewable energies for its excellent governance framework and ease of doing business"

## LAUNCHES

# Acorn Gets CMA Approval for Build-To-Rent Development REIT

**A**corn Holdings has received authorisation from the Capital Markets Authority (CMA) for the establishment of a Build-To-Rent Development Real Estate Investment Trust (D-REIT) aimed at expanding Kenya's affordable housing rental market for young urbanites.

The Acorn Build-To-Rent D-REIT (ABTR D-REIT) will offer investors an opportunity to participate in large-scale, professionally managed rental property developments, which are targeted at young urbanites

who are looking at world-class, yet affordable housing in urban areas.

To support the establishment of this venture, \$17m (KES 2.2 billion) has been committed by three entities - including global multilateral organisation, Private Infrastructure Development Group (PIDG), which has committed \$10m (KES 1.3 billion) in equity investment.

The anchor investment, made through PIDG's project development solution, InfraCo, will come in alongside a further \$2m (KES 258

## Deals & Exits

million) from Shelter Afrique Development Bank, and \$5m (KES 645 million) of equity from Acorn.

Edward Kirathe, CEO of Acorn Holdings, said: "The launch of the Acorn Build-To-Rent D-REIT marks another important milestone in our journey to provide urban Africa with rental housing solutions. The ABTR D-REIT will initially focus on providing purpose built rental housing for young urbanites between 20-30 years old who work in the formal and informal business hubs of Nairobi."

"Uniquely, this time around, we will be launching the REIT with upfront committed capital from institutional investors including Acorn, PIDG, and Shelter Afrique Development Bank. The new REIT continues to deepen our participation and innovation in the capital markets and wider Kenyan economy. We are thankful to our investment partners and The Capital Markets Authority for their support in bringing this new REIT to Market," he said.

Claire Jarratt, PIDG Head of Investment Management for InfraCo, said: "We are delighted to be building on our strong relationship with the team at Acorn to launch a new product in the Kenyan housing market - a REIT to deliver purpose-built, affordable housing for young, urbanites. The initiative will not only enable these individuals to live in closer proximity to their work and social lives, bridging the current gap in provision of suitable homes, but will also develop Kenya's domestic capital markets, unlocking further capital to scale access to such housing across the city."

"Acorn's existing portfolio of 20 purpose-built student accommodation properties, all IFC EDGE certified, reflect PIDG's commitment to developing sustainable and resilient cities in the face of climate impacts," she said.

Built to the high standards Acorn has adopted across its student accommodation portfolio, the homes will meet the needs of different market segments, those with higher incomes who find themselves in a mortgage gap, and those for whom more affordable, shared accommodation is needed. Conveniently located close to Nairobi's key working hubs, the new housing will be green, safe, secure, and affordable.

In designing these purpose-built accommodation, attention has been given to the unique needs of young female professionals, who often prioritise not only convenience and lifestyle but also safety and peace of mind in urban living.

Features such as secure access systems, and thoughtfully designed private spaces have been integrated to create an

environment where women feel protected, empowered, and at home. At the same time, the accommodation also embraces the diverse requirements of male urbanites and individuals with disabilities, ensuring that inclusivity, comfort, and dignity remain at the core of the living spaces.

The buildings will be IFC EDGE certified, a key measure for ensuring that buildings are climate-resilient and resource-efficient.

Thierno-Habib Hann, Shelter Afrique Development Bank Managing Director, said: "It gives us great pleasure as Shelter Afrique Development Bank to announce a \$2m financing agreement with Acorn Holdings, aimed at expanding sustainable, inclusive, dignified and quality accommodation for young urban professionals for Africa's future. This initiative is not only timely - it is vital. Nairobi is one of Africa's fastest-growing cities, with a youthful population that is dynamic, entrepreneurial, and increasingly urban. Yet, for too many young professionals - graduates, entry-level employees, entrepreneurs - the search for affordable, well-located, and secure housing remains a daily struggle."

"This continued partnership with Acorn reflects our firm commitment to bridging that gap. Acorn has demonstrated a clear vision and a proven ability to deliver targeted housing solutions that meet the needs of Nairobi's urban youth. Their track record through Qwetu and Qejani brands has redefined purpose-built student and youth accommodation in East Africa. At Shelter Afrique, we understand that housing is not just about buildings it's about opportunity. When a young professional has access to safe, affordable accommodation near their workplace, they are better positioned to succeed, to innovate, and to contribute meaningfully to society"

The company's growth has been supported by PIDG since 2019, including a green bond and two REITs, which have raised \$31.36m from Kenya's capital markets to date.

The new transaction is expected to unlock significant further investment from private and institutional investors to expand Acorn's portfolio of affordable housing for this underserved market segment.

Stanbic Bank Kenya and SBG Securities served as the Lead Transaction Advisor, NCBA Bank Kenya PLC as the Trustee, TripleOKLaw, Gowling WLG, and Norton Rose Fulbright as the Legal Advisors, Viva Africa Consulting as the Tax Advisor, and PwC as the Reporting Accountant.

### DEALS

## EAAIF and Ninety One Commit \$30m to WIOCC

**T**he Emerging Africa & Asia Infrastructure Fund (EAAIF), a Private Infrastructure Development Group (PIDG) company, managed by Ninety One, has made a \$15m investment in WIOCC, a key pan-African telecommunications infrastructure provider.

Ninety One also committed \$15m in local currency to Open Access Data Centres (OADC), a WIOCC Group subsidiary, to construct a new data centre in South Africa and expand existing facilities. These commitments will help bridge Africa's digital gap, expanding access

to internet connectivity and online services for millions of people across the continent.

The funding forms part of a total \$65m debt raise which includes a \$20m commitment from the International Finance Corporation (IFC) and \$15m from Proparco.

All financing arrangements have a 10-year tenor and are structured as sustainability-linked facilities.

Africa has one of the world's lowest internet usage rates, with just

38% of the population online in 2024, compared to a global average of 68%.

EAAIF and Ninety One's investment will support WIOCC to increase services across more than 30 countries, building on its vast infrastructure network, which includes approximately 75,000 km of terrestrial fibre and holding capacity across 200,000 km of submarine cables.

The capital will be used to significantly strengthen existing networks, invest in new high-capacity communications corridors, and upgrade data centres, which are the backbone of the digital economy.

EAAIF's portion of the funding will support the rollout of fibre to the home networks in Nigeria, addressing the country's rapidly growing demand for reliable, high-speed internet.

The focus on last-mile connectivity will unlock new economic opportunities for millions of individuals and thousands of businesses, supporting job creation and overall economic competitiveness, aligning with Sustainable Development Goal (SDG) 9 to build resilient infrastructure, promote industrialisation, and foster innovation.

The investment also supports the promotion of gender equality in traditionally male-dominated sectors, with WIOCC Group setting new targets for recruiting a significant share of women in both construction and long-term jobs within the next 2 to 5 years, and implementing a gender-responsive vocational training programme

for women in STEM fields.

The cost of the financing is directly tied to WIOCC achieving ambitious sustainability-linked targets, ensuring that its digital expansion is also sustainable. Key performance indicators include EDGE certification for new data centres - a global standard for resource-efficient and zero-carbon buildings - and Power Usage Effectiveness (PUE) targets for operating facilities. This structure ensures that EAAIF's investment drives a digital transition that promotes climate-resilient infrastructure across Africa.

The investment is a repeat commitment, building on EAAIF's \$40m loan to WIOCC in 2020, underscoring the Fund's long-term partnership in developing Africa's digital landscape. The commitment aligns with PIDG's broader strategy to mobilise private capital for sustainable, inclusive infrastructure that drives economic growth and supports the transition to net zero across emerging markets.

Puleng Pitso, Investment Specialist, Ninety One, the fund manager for EAAIF, said: "Digital connectivity is one of the most powerful enablers of economic growth in Africa. By expanding access to high-speed internet, we are unlocking opportunities for entrepreneurs, small businesses, and industries to thrive in the digital economy. EAAIF's investment in WIOCC will help strengthen the foundations for inclusive growth, job creation, and innovation across the continent."

## EXITS

# Mediterrania Capital Partners Partially Exits Cash Plus



## Hatim Ben Ahmed

Managing Partner

**Mediterrania Capital Partners**

**M**editerrania Capital Partners, a private equity firm focused on growth investments in SMEs across North Africa and Sub-Saharan Africa, has partially sold its stake in

Cash Plus, Morocco's largest independent money transfer and low-income financial services provider, through an IPO on the Casablanca Stock Exchange.

The transaction, which achieved a 65-times oversubscription, marks Mediterrania Capital Partners' third IPO (after TGCC and Akdital) and provides liquidity and strong double-digit returns to investors two years after investment.

Hatim Ben Ahmed, Managing Partner at Mediterrania Capital Partners, added: "Two years after our investment, we are proud to have contributed to the development of a true fintech champion. This partial exit aligns with our broader strategy and fully supports Cash Plus' ambitions for continued product development and expanded geographic reach."

Founded in 2004, Cash Plus is the leading independent money transfer and payment services company in Morocco, operating through more than 4,900 points of sale nationwide. Through its extensive retail network and transactional mobile application, Cash Plus provides millions of Moroccans with access to inclusive and affordable financial solutions.

Since Mediterrania Capital Partners entered Cash Plus' shareholding structure together with FMO, the Dutch entrepreneurial development bank, and IFC, a member of the World Bank Group, Cash Plus has recorded a significant performance leap, doubling annual revenues and delivering substantial growth in EBITDA.

As part of its strategic support, Mediterrania Capital Partners is playing a key role in driving the expansion of the digital wallet in Morocco, helping to strengthen its market footprint and technological capabilities.

The private equity firm has also contributed to shaping Cash Plus' strategic roadmap for internationalisation, positioning it to successfully enter new markets and scale its operations across the region.

## Investors

Albert Alsina, Founder and CEO of Mediterrania Capital Partners, said: "Over the last few years, Cash Plus has become one of the largest fintech platforms in Africa, with a clear financial inclusion strategy. Its transformation is a testament to strong leadership and disciplined execution driven by its President and CEO, Nabil Amar, and its Board."

Nabil Amar, President and CEO of Cash Plus, stated: "Mediterrania Capital Partners is an extremely valuable partner. Thanks to their

governance reinforcement, strategic guidance and financial support, we have accelerated our growth, strengthened our organisation and reinforced our financial and operational discipline. This partnership has been instrumental in shaping Cash Plus into the strong fintech player it is today, and the IPO is the next step in our long term vision."

CFG and Valoris acted as financial advisors of the transaction, Asafo acted as legal advisor and Saga as communication advisor.

### INVESTORS

# FinDev Canada Invests \$20m in Ninety One's Africa Credit Opportunities Fund III



## Kobina (Kobi) Sam

Managing Director, Emerging Market Alternative Credit

**Ninety One**

Canada's bilateral Development Finance Institution, FinDev Canada, has announced a \$20m commitment to Ninety One's Africa Credit Opportunities Fund III (ACO3), a private credit fund providing financing to enterprises and infrastructure projects across Africa and other emerging markets.

"Private credit can be a powerful tool to help local enterprises in Africa overcome financing barriers. That's why, we are pleased to partner with Ninety One by investing in ACO3, deepening our presence in the region and reinforcing Canada's leadership in development finance. This partnership reflects FinDev Canada's commitment to expanding private sector engagement, developing local markets, supporting jobs, and strengthening gender equality," said Paulo Martelli, VP and Chief Investment Officer, FinDev Canada.

The Fund is managed by Ninety One, an international investment manager with an extensive track record in Africa and global emerging markets.

The Fund is expected to reach a final close of over \$400m in early 2026, and has already onboarded committed investors, such as International Finance Corporation, British International Investment, the Swiss Development Finance Institution, and several other institutional investors with the Standard Bank of South Africa as a credit provider.

FinDev Canada's commitment will enable ACO3 to extend critical financing to African enterprises often underserved by local banks, including 2X-aligned businesses and those operating in Least Developed Countries (LDCs).

The financing will help create employment opportunities, enhance the provision of goods and services for businesses and consumers, and strengthen regional economic development.

ACO3 aims to deliver competitive returns for investors while promoting economic growth through sustainable investment in Africa and other emerging markets.

The Fund's investment strategy seeks to enhance communities, the environment, and regional productivity, promoting environmental and social objectives through its sustainability framework.

Notably, Standard Bank has provided USD 45 million in funding through a sustainability-linked loan, aligning with the Fund's climate and social impact goals.

Additionally, the Fund is committed to advancing gender equality across its portfolio and within its operations. This includes integrating a gender lens throughout its investment cycle, supporting women entrepreneurs, and addressing gender-related gaps such as women's representation in leadership positions and employment opportunities.

ACO3 will primarily invest across Africa, including LDCs, such as Angola, Mozambique, Malawi, and Rwanda, while also exploring select opportunities in emerging markets outside of the continent. The portfolio will cover a diverse range of sectors, including agriculture, financial services, consumer goods, business services, manufacturing, and technology.

While the Fund's primary interventions will be through private markets, its participation in the bond market plays a strategic role in mobilising capital and advancing the development of Africa's debt capital markets.

To date, Ninety One's Africa Credit Opportunities strategy has invested over \$1.2bn across more than 20 countries, supporting sectors such as infrastructure and telecoms. The strategy has helped recipient countries close infrastructure funding gaps and has achieved its return targets, while contributing to the UN Sustainable Development Goals.

"We welcome FinDev Canada as an investor in our Africa and Emerging Markets focused private credit strategy. Their confidence in ACO3 reflects the strength of our investment approach, the depth of our platform, and the wealth of compelling opportunities across our markets. This partnership not only reinforces our commitment to delivering value for investors but also strengthens our presence in Canada, where we have maintained a footprint for nearly a decade," Kobina (Kobi) Sam, Managing Director, Emerging Market Alternative Credit, Ninety One.

## INVESTORS

## AfDB Approves \$10m to Catalyse Namibia's Green Hydrogen Project

The African Development Bank's Board of Directors has approved a \$10m loan to Hyphen Hydrogen Energy, a Namibian green hydrogen development company, to support a green ammonia project valued at more than \$10bn and with the potential to position Namibia as a pioneer in the global green hydrogen economy.

The loan, sourced from the Sustainable Energy Fund for Africa (SEFA), will support front-end engineering design studies for solar and wind generation, battery energy storage systems, and electrolyser capacity and desalination infrastructure, thereby de-risking the project and attracting the financing required for its realisation.

SEFA is a multi-donor Special Fund that provides catalytic finance to unlock private sector investments in renewable energy and energy efficiency. SEFA offers technical assistance and concessional finance instruments to remove market barriers, build a more robust pipeline of projects, and improve the risk-return profile of individual investments.

The project is poised to leverage the country's world-class solar and wind energy resources. The first phase includes 3.75 GW of renewable energy generation, battery storage, 1.5 GW of electrolyser capacity, and supporting infrastructure such as desalination facilities, pipelines, transmission lines, and enhanced port facilities—all developed to the highest environmental and social standards.

Once completed, the project is projected to produce 2 million tons of green ammonia annually for export to key markets, while contributing to local economic development under a comprehensive socio economic development plan embedded in the project's 40-year concession agreement.

It will additionally avert annual emissions of 5 million tons of Co<sub>2</sub>—the equivalent of removing over one million cars from the road—while deploying 7.5 gigawatts of renewable energy generation capacity, more than 10 times Namibia's current installed capacity. Additionally, the project will supply 3 million liters of clean water

through desalination daily to the water-scarce region of Lüderitz in Southern Namibia.

Moono Mupotola, African Development Bank Country Manager for Namibia and Deputy Director General for Southern Africa, said: "This is about far more than energy infrastructure," said. "This is about demonstrating Africa's capacity to lead the global energy transition, create quality jobs for our youth, and build prosperity while protecting our planet. Namibia is showing the world that Africa is not just participating in the green economy—we are defining it."

"The African Development Bank's approval of this pre-investment facility represents a strong vote of confidence in Hyphen's project and in the broad ambitions of Namibia to develop one of the world's most transformative green hydrogen projects," said Marco Raffinetti, CEO, Hyphen Hydrogen Energy. "We are deeply appreciative of the African Development Bank for partnering with us in the development of this transformative project. This facility, which will be utilised to partially fund the technical design phase of the project on our journey to the final investment decision."

"SEFA's intervention is catalytic," said Daniel Schroth, Director for Renewable Energy and Energy Efficiency at the African Development Bank. "By supporting these essential pre-investment activities, we are unlocking billions in project financing. This is a strategic, high-impact development project."

The project is expected to generate 15,000 construction jobs and 3,000 permanent positions, 90% of these reserved for Namibian nationals and 20% specifically targeting youth in a country where youth unemployment exceeds 38%.

The Hyphen project is viewed as a flagship of the government's Southern Corridor Development Initiative. It is expected to have a demonstration effect across Africa, particularly in countries that have abundant renewable energy resources.

## INVESTORS

## BII Provides \$20m Loan to First National Bank

British International Investment (BII), the UK's development finance institution and impact investor, has provided a \$20m loan facility to First National Bank Ghana (FNBG).

Chris Chijiutomi, Managing Director and Head of Africa at BII, said: "We are proud to partner with First National Bank Ghana to expand access to finance for Ghana's MSMEs, as they are an essential driver of economic growth and innovation. The facility will help unlock opportunities for businesses, enabling job creation, strengthening resilience, and fostering sustainable development. It reflects BII's commitment to backing businesses that fuel inclusive growth and long-term transformation across Africa."

The facility is aimed at expanding access to finance for micro, small and medium-sized enterprises (MSMEs) across Ghana.

Warren Adams, Chief Executive Officer of First National Bank, said that this five-year loan will enable the Bank to scale up support for MSMEs across Ghana as a critical segment of the Ghanaian economy that plays a pivotal role in driving employment, innovation, and inclusive economic growth.

"We are pleased to secure this \$20m facility from British International Investment, which will enable us to extend much-needed financing to MSMEs. It demonstrates our commitment to helping these businesses that are vital to Ghana's economic growth," he said.

MSMEs form the backbone of Ghana's economy - they account for over 90% of all businesses, drive 60% of GDP and account for 80% of employment in the country.

However, they continue to face significant barriers to accessing long-term capital. Through this funding, First National Bank will be able to provide term loans and working capital solutions to a broader range of small businesses, particularly those seeking to recover and grow in the face of economic headwinds in the commerce sector.

"This facility comes at an opportune time as we seek to deepen our support for Ghana's MSMEs. Our ambition is to provide real solutions,

both financial and advisory, for entrepreneurs and small business owners who are key to economic development. This funding helps us achieve our strategic goals to deliver meaningful impact in the communities we serve," Adams said.

H.E. Dr Christian Rogg, British High Commissioner said: "Today marks another proud milestone and highlights the strength of the UK- Ghana partnership. By unlocking loans and investment for small businesses, the backbone of Ghana's economy, British Investment International is fuelling innovation, creating jobs, and driving sustainable & inclusive growth. Together, we are delivering shared prosperity for both our nations."

## INVESTORS

# AfDB Invests \$310m in FirstRand Bank

**A**frican Development Bank Group has approved a \$310m financial package to FirstRand Bank, a wholly owned subsidiary of the FirstRand Group and one of the largest financial institutions in Africa.

"This approval highlights the African Development Bank's dedication to bolstering the private sector and fostering inclusive economic growth in South Africa," said Kennedy Mbekeani, African Development Bank's Director General for Southern Africa.

"By channeling these resources through FirstRand and, in particular, its commercial banking franchise, FNB, we are working with trusted partners with extensive reach to ensure that MSMEs —particularly those led by women —have access to the capital they need to grow, create jobs, and contribute to South Africa's economic development."

(ACFM) initiatives, demonstrating AfDB's commitment to closing the gender financing gap in Africa.

The concessional funding is, by design, ring-fenced for women-owned small business enterprises operating in South Africa's agriculture sector to significantly increase their access to affordable credit on favorable terms. Most smallholder farmers in South Africa remain excluded from accessing bank credit, yet they make up a significant proportion of the farming population.

The Financial Package will be complemented by technical assistance and Performance-Based Incentives from ACFM and AFAWA initiatives of the African Development Bank. The Technical assistance packages are intended to enhance the bankability of women-led/owned small

**"We are working with trusted partners with extensive reach to ensure that MSMEs – particularly those led by women – have access to the capital they need to grow, create jobs, and contribute to South Africa's economic development"**

Kennedy Mbekeani, African Development Bank's Director General for Southern Africa

The package comprises three strategic components: a \$200m line of credit for on-lending to MSMEs across various sectors; a \$100m gender-focused line of credit dedicated to women-led and women-owned MSMEs; and a \$10m concessional line of credit from the Agri-Food SME Catalytic Financing Mechanism targeting women-owned agricultural small business enterprises.

This comprehensive financing package demonstrates the African Development Bank's continued support for private-sector-led growth and its confidence in FNB, FirstRand's leading commercial banking franchise, to support South Africa's socio-economic transformation and inclusive growth, particularly through empowering women entrepreneurs and agricultural businesses nationwide.

A defining feature of this approval is its strong gender focus: \$110 million — more than one-third of the total financial package - is explicitly earmarked for women MSMEs. This intentional gender approach aligns with AfDB's Affirmative Finance Action for Women in Africa (AFAWA) and the Agri-Food SME Catalytic Financing Mechanism

business enterprises; support FNB's (FirstRand's commercial banking franchise) agriculture offerings; and explore alternative credit scoring.

"The approval of this financing package represents a significant milestone and elevation of this impactful partnership between the African Development Bank and FirstRand. It demonstrates both institutions' shared commitment to driving inclusive economic growth and empowerment of the heavily credit-deprived business communities of South Africa by deliberately channeling credit to women entrepreneurs and smallholder farmers," said Ahmed Attout, Director of the Financial Sector Development Department at the African Development Bank.

"MSMEs are significant contributors to South Africa's economic growth, supporting job creation and community upliftment. FirstRand's commercial banking arm, FNB, has demonstrated a strong track record in providing capacity to women-owned businesses and small businesses in the agricultural sector, which in turn supports community development," said Bhulesh Singh, FirstRand Group Treasurer.

# OUTLOOK 2026

**A**fter several turbulent years defined by fiscal imbalances, currency shortages and investor retrenchment, Africa's investment environment is entering 2026 with renewed momentum. A combination of macroeconomic reform, improving external balances and a more supportive global backdrop has underpinned a strong recovery in performance during 2025, with African markets once again capturing the attention of global investors. While challenges around liquidity, currency volatility and market access persist, sentiment toward the continent is clearly shifting as valuations remain compelling and earnings prospects improve.

## *In this Outlook 2026 interview with Africa Global Funds Magazine*

- **Rory Kutisker-Jacobson (top), Portfolio Manager at Allan Gray,**
- **Cornelis Vlooswijk (middle), Lead Portfolio Manager and Research Analyst for African Equities at Robeco,**
- **Cavan Osborne (bottom), Portfolio Manager at Old Mutual Investment Group**

share their views on how Africa's macroeconomic environment is likely to evolve in the year ahead. They discuss current valuation levels, the sectors offering the most attractive opportunities, strategic portfolio shifts, liquidity dynamics across key markets and the principal risks investors should monitor as Africa moves into the next phase of its investment cycle.



### **HOW DO YOU EXPECT AFRICA'S MACROECONOMIC ENVIRONMENT TO EVOLVE IN 2026, AND WHAT ARE THE BIGGEST DRIVERS OF PERFORMANCE FOR YOUR ASSET CLASS?**

**RORY KUTISKER-JACOBSON, PORTFOLIO MANAGER AT ALLAN GRAY:** The period immediately post-COVID was marked by wide fiscal deficits, rampant inflation, dollar shortages, and debt restructurings, with many countries choosing to constrain capital flows and fix their currencies. Much of this came to a head in 2024, with debt defaults in Zambia and Ghana, and Nigerian and Egypt initiating material tax reforms and liberalising their currencies, allowing trade flows to continue.

2025 has seen several African sovereigns enjoying rosier circumstances. Trade accounts are greatly improved given the weak dollar and low oil price environment, capital constraints are largely lifted, and many countries are benefiting materially from the higher copper and gold prices.

Should the dollar stay weak, oil prices depressed and the gold price elevated, we anticipate the macro environment across many African sovereigns will remain supportive to long-term investors.

**“Should the dollar stay weak, oil prices depressed and the gold price elevated, we anticipate the macro environment across many African sovereigns will remain supportive to long-term investors**

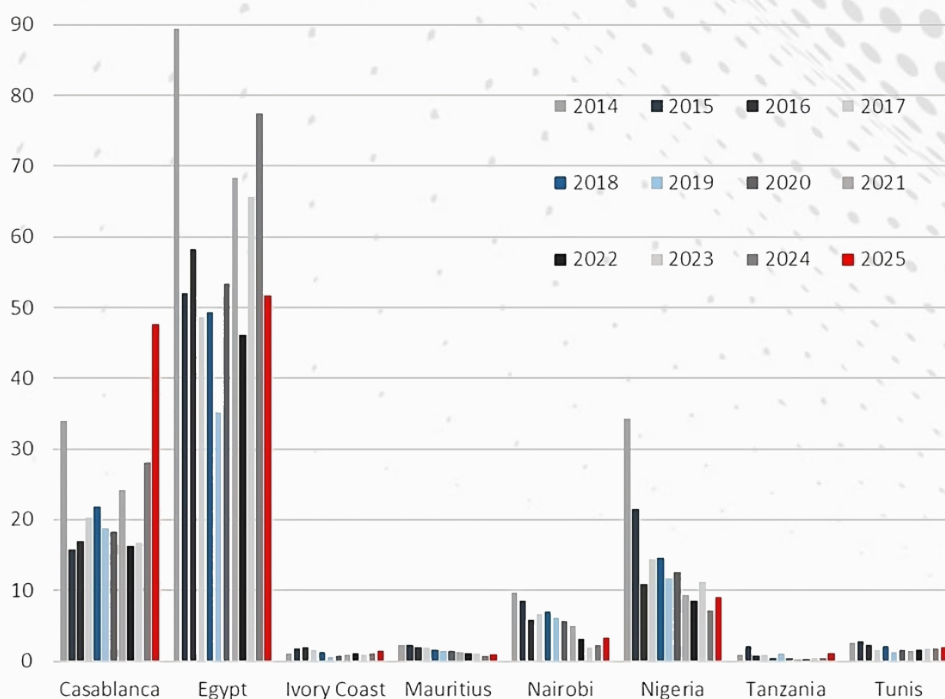
Rory Kutisker-Jacobson (top), Portfolio Manager at Allan Gray



### **HOW WOULD YOU CHARACTERIZE CURRENT VALUATIONS IN YOUR MARKET, AND DO YOU EXPECT THEM TO EXPAND, CONTRACT, OR REMAIN STABLE IN 2026?**

**RORY KUTISKER-JACOBSON:** After years of mediocre to poor returns across African markets, long-suffering investors were finally rewarded in 2025. For the first time in many years, emerging and frontier markets have outperformed developed markets, and within emerging and frontier markets, Africa has shone. For calendar year 2025 to date, the S&P 500 is up 17.5%, the MSCI World Index up 20.1%, the MSCI Emerging

### DAILY VALUE TRADED (%)



Source: Factset, Old Mutual calculations

Markets Index up 32.1%, and as a proxy for African equities, the MSCI EFM Africa ex-SA Index is up a staggering 41.2%.

Despite this strong performance, we continue to be cautiously excited about the long-term prospects for African equities, as valuations remain compelling.

(eg Egypt, Ghana, Kenya and Nigeria). In our base scenario we assume solid economic growth translating in reasonably good earnings growth. If that materializes, investors will probably become slightly less risk-averse and that would mean that valuations in all countries except Morocco expand somewhat.

**“For the first time in many years, emerging and frontier markets have outperformed developed markets, and within emerging and frontier markets, Africa has shone**

Rory Kutisker-Jacobson (top), Portfolio Manager at Allan Gray

A number of the higher-quality, tier-one banks continue to trade on extremely undemanding multiples. As two examples, Guaranty in Nigeria and Commercial International Bank in Egypt (CIB) are arguably the best banks in their respective markets. They have both had stellar years, but continue to screen as incredibly cheap, trading on just 4.8x earnings (same multiple for both).

From a capital flow perspective, we have seen renewed interest in African markets, but this remains off an incredibly low base. Broadly, Africa remains under-owned and overlooked by the vast majority of global investors.

**CORNELIS VLOOSWIJK, LEAD PORTFOLIO MANAGER AND RESEARCH ANALYST AFRICAN EQUITIES, ROBECO:** Valuations vary per country. Morocco has similar valuation levels as many developed markets, but is very expensive in an African context. That is only partly justified by a solid macroeconomic outlook and good corporate governance. In all other African countries the valuation levels are quite low (eg South Africa) or very low

**CAVAN OSBORNE, PORTFOLIO MANAGER AT OLD MUTUAL INVESTMENT GROUP:** Developed markets and Emerging markets are trading above trend valuations. Despite playing some catch up in 2025, Frontier and African markets are still lagging their historic trend valuations. With risk levels in Africa normalizing we expect to see an uptick in demand for Africa stocks. Africa still offers good value so we expect to see inflows into both African equity and debt markets.

**WHICH SECTORS DO YOU BELIEVE WILL OFFER THE MOST COMPELLING OPPORTUNITIES IN 2026, AND WHY?**

**CAVAN OSBORNE:** The telecommunications sector continues to deliver strong revenue growth as data demand grows. In many case this growth is augmented by increased use of Mobile Money services. Linked to this is the expanding opportunities set available to African investors in financial technology (Fintech). Both MTN and Airtel have committed to listing their Fintech operations. Already available are Fawry and Efinance

in Egypt, HPS and CashPlus in Morocco and Optasia listed in South Africa. The private healthcare sector is another sector that has a long runway for growth in Africa.

**RORY KUTISKER-JACOBSON:** We build our portfolio from the bottom up, being both benchmark and sector agnostic. The areas where we are finding the most amount of value at the moment are select banks in Nigeria and Egypt, select consumer staples names (notably Eastern in Egypt and Delta in Zimbabwe) and select basic materials and energy businesses (notably Zimplats, Endeavour Mining and Seplat). All of these are based

## “Currency risk remains the largest investment risk in Africa

Cavan Osborne, Portfolio Manager at Old Mutual Investment Group

on the price you are paying relative to the value you are getting. The banks trade on low multiples despite high return on equity (ROE). The consumer staples businesses have growing volumes, US dollar pricing power, high free cash flow generation and trade on mid to single digit multiples. Zimplats, Endeavour and Seplat trade at material discounts to developed market peers and broadly have better quality growth prospects, longer life assets and better free cash flow generation capacity.

### HAVE YOU MADE ANY STRATEGIC OR TACTICAL SHIFTS IN YOUR PORTFOLIO HEADING INTO 2026, AND WHAT HAS DRIVEN THOSE DECISIONS?

**CORNELIS VLOOSWIJK:** We have increased exposure to Egypt and South Africa. For Egypt the outlook has clearly improved while valuations remain low. The ceasefire in Gaza is leading to a recovery of ship traffic and hence higher Suez Canal transit revenues for the Egyptian government. Another positive development is that Qatar has recently transferred \$3.5bn to Egypt as part of a \$29.7bn coastal real estate deal. That is great in itself, but is also likely to unlock additional funds from the International Monetary Fund (IMF). For stock market investors it also good that in the last year the inflation has steadily come down (from around 25% to around 12%) and that the exchange rate has been quite stable. There are also two potential positive catalysts for Egypt and given the low valuations (eg banks trading at 3-5x actual earnings) it appears that those are not at all priced in. The first free option is the possibility that the Gaza ceasefire turns into a peace agreement with a huge reconstruction program funded by rich Arab countries and western countries. Egyptian companies would benefit from that.

A Ukraine ceasefire and higher supply of grain and other food from Russia and Ukraine would reduce food import costs and push inflation in Egypt down. Our shift to more South Africa was driven by various indicators (retail sales, vehicle sales, manufacturing production, mining production) suggesting in late 2025 that the economic reforms implemented by the Government of National Unity are finally starting to pay off. Using realistic (not overly optimistic) assumptions, our cash flow models indicate that there is significant upside in many South African companies.

### WHAT IS YOUR VIEW ON LIQUIDITY AND MARKET ACCESS IN YOUR RESPECTIVE MARKETS, AND DO YOU EXPECT ANY CHANGES OR IMPROVEMENTS?

**CORNELIS VLOOSWIJK:** Very low liquidity remains a problem for every investor in African equities. Fees to brokers, stock exchanges and governments (taxes) are high and that makes many investors very reluctant to trade. We can understand that brokers charge high fees, because at low volumes they would otherwise be loss-making. African governments should break the spiral of low volumes and high fees

through lowering taxes and they could ask brokers to join in. If trading volumes go up, African governments get higher tax proceeds than in the current situation, while brokers would earn more and employ more people. An international development organisation could also be instrumental through eg guaranteeing brokers and governments some compensation if a cut in taxes and fees does not lead to higher trading volumes. Improved liquidity is not our base case, but we will keep pushing for it.

**RORY KUTISKER-JACOBSON:** Liquidity across the African landscape has improved, albeit off a low base. It remains depressed relative to developed markets, and we expect no material improvement therein.

**CAVAN OSBORNE:** Liquidity in the equity markets has been reducing over the last decade on many African stock exchanges. Kenya for example traded closer to \$10m a day 10 years back whereas now it is closer to \$3m per day. Morocco is the outlier. It has seen an liquidity uptick in 2025 to around \$50m per day compared to past years where it traded around \$20m each day. Morocco's liquidity has been helped by a number of new listings such as Vicenne (medical equipment distributor), SGTm (construction contractor) and CashPlus (payments business). If Africa does gain favour again in 2026, then liquidity in equity markets will improve. The African fixed income markets on the other hand have been developing over the last decade and offer good liquidity.

### WHAT ARE THE KEY RISKS THAT YOU BELIEVE INVESTORS SHOULD MONITOR NEXT YEAR?

**CAVAN OSBORNE:** African currencies have strengthened in 2025. Using our rollup calculations, this is only the second time since 2010 where Africa currencies were stronger. Currency risk remains the largest investment risk in Africa. While most commentators are suggesting the dollar could weaken further in 2026, a recovery in the dollar is likely to be negative for African investors.

**RORY KUTISKER-JACOBSON:** Inflation rates, interest rates, the US dollar, the oil price and the price one pays (i.e. the risk of overpaying on overly positive sentiment). Get the latter right, and the rest will take care of itself.

# Your Insight Into African Asset Management



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# WHY AFRICA'S M&A MARKET BUCKED THE GLOBAL GROWTH TREND IN 2025



Africa's M&A deal value declined 24% year-on-year, contrasting sharply with a 10% global increase and highlighting the continent's more cautious dealmaking environment, according to the 22nd annual Global M&A Report from Boston Consulting Group.

The picture varies significantly across regions. South Africa maintained its position as a continental leader, with outbound mining deals led by Gold Fields and Harmony Gold. In Nigeria, the energy sector is evolving as transactions reflect a strategic balance between fossil fuels and renewables. Kenya continues to attract long-term investors, driven by its youthful population and rapid digital adoption. Meanwhile, Morocco is emerging as a magnet for private equity and sovereign fund partnerships, particularly in chemicals, healthcare, and mining.

**Africa Global Funds spoke with Ghita Lahlou, Managing Director and Partner at BCG in Casablanca,** to discuss what's driving these regional differences and where opportunities lie for dealmakers navigating Africa's evolving M&A landscape.

## **AFRICA GLOBAL FUNDS (AGF): WHAT FACTORS MIGHT EXPLAIN AFRICA'S 24% DECLINE IN M&A DEAL VALUE IN 2025, DESPITE THE GLOBAL MARKET'S 10% INCREASE, AND HOW DO THESE FACTORS DIFFER ACROSS REGIONS LIKE SOUTH AFRICA, NIGERIA, KENYA, AND MOROCCO?**

**GHITA LAHLOU (GL):** Africa may have been disproportionately affected relative to global M&A trends, due to a combination of global macroeconomic uncertainties, such as rising interest rates, U.S. tariff volatility, and geopolitical tensions, and domestic macro-instability in several major African economies, including exchange-rate risks, high and volatile inflation, and rising public debt.

However, the picture is far from uniform across the continent, as country-level dynamics play a critical role. Countries with

environment

- South Africa is still the continent dominant M&A hub, showing slowdown but also a resilience relative to other regions, with sizeable transactions for instance in the media / entertainment sector (e.g. the acquisition of MultiChoice by Canal+)
- Nigeria's structural challenges (currency, macroeconomic, political) make it especially vulnerable in a tight global finance environment, hence the translation into a steeper drop in M&A activity
- Kenya has been comparatively less affected than other regions, maintaining its position as a leading VC destination in Africa, while demonstrating positive momentum in key real-economy sectors such as energy, agribusiness, logistics, and education

**“Africa may have been disproportionately affected relative to global M&A trends, due to a combination of global macroeconomic uncertainties, such as rising interest rates, U.S. tariff volatility, and geopolitical tensions, and domestic macro-instability in several major African economies, including exchange-rate risks, high and volatile inflation, and rising public debt.**

relatively stable currencies, manageable debt burdens, and stronger macroeconomic management, or more diversified economies, have demonstrated greater resilience.

### **FOR EXAMPLE:**

- Morocco has been one of the bright spots in 2025, outperforming the Africa M&A market supported by its diversified economy and stable policy and macro-economic

## **AGF: HOW ARE SECTORAL SHIFTS RESHAPING AFRICA'S LONG-TERM M&A STRATEGY, AND WHAT IMPLICATIONS DO THESE HAVE FOR FOREIGN INVESTOR CONFIDENCE?**

**GL:** African M&A activity in 2025 continues to be shaped by resource-linked industries, which again dominated major transactions in mining (e.g. Gold Fields' \$1.8 billion acquisition of Australia's Gold Road Resources, Harmony Gold Mining's \$1 billion purchase of MAC Copper) and energy (e.g. hydrocarbon-focused deals with Gabon Oil

Company's \$300 million acquisition of Tullow Oil; Renaissance SPV's \$2.4 billion acquisition of Shell Petroleum Development Company of Nigeria).

At the same time, we are seeing meaningful sectoral shifts, particularly toward telecom and digital infrastructure, renewables, and consumer and healthcare markets, that are reshaping Africa's

once fully operationalised as making cross-border deals more attractive, by providing scale to investors through regional value chain integration and trade barriers reduction, improving logistics and connectivity across the continent, and reducing regulatory risks and transaction costs.

Yet, several requirements (tariff schedules, non-tariff barrier

**"I am convinced that AI can make transactions faster and smarter by streamlining deal processes and uncovering hidden value. Moreover, AI and digital technologies can increasingly help private equity and principal investors transform portfolio companies by boosting productivity, enhancing internal capabilities across sales, procurement, and support functions"**

long-term M&A strategy. The digital infrastructure (towers, fibre networks, data centres) sector, for example, continues to show strong momentum in Nigeria, Kenya, Egypt, and South Africa, with growing investment in data centres, cloud platforms, and telecom tower portfolios, reflecting the continent's accelerating digitalisation.

Concurrently, Africa is experiencing a gradual transition from traditional extractive industries toward renewable-energy assets, including solar, hydro, and battery-storage projects. This shift marks an important rebalancing of the continent's deal landscape as investors pursue opportunities aligned with global energy-transition priorities.

#### **AGF: IN WHAT WAYS COULD AI AND ANALYTICS ADOPTION IMPROVE M&A OUTCOMES FOR AFRICAN DEALMAKERS?**

**GL:** In a period of uncertainty, the power of data and digital offer opportunities for dealmakers to go faster and capture more value in their portfolio companies.

I am convinced that AI can make transactions faster and smarter by streamlining deal processes and uncovering hidden value. Moreover, AI and digital technologies can increasingly help private equity and principal investors transform portfolio companies by boosting productivity, enhancing internal capabilities across sales, procurement, and support functions, and driving both commercial excellence and cost optimisation.

#### **AGF: HOW COULD INTRA-AFRICAN DEALS UNDER AfCFTA BOOST REGIONAL M&A ACTIVITY?**

**GL:** AfCFTA can become a powerful catalyst for Africa M&A activity

elimination, rules of origin, services liberalisation, customs co-operation, etc) still need to be implemented to accelerate intra-African trade under AfCFTA and foster regional M&A activity.

#### **AGF: WHAT CAN AFRICAN FIRMS DO TO BUILD STRONGER M&A EXPERTISE AND EXPERIENCE?**

**GL:** Five key levers can help African firms strengthen their M&A capabilities in the African context, with certain nuances depending on the type of buyer (corporates, private equity, etc.):

- **Leverage local expertise:** Africa encompasses diverse and highly differentiated markets; deep on-the-ground knowledge is essential to navigate local realities and execute transactions successfully.
- **Define and implement value-creation plans early:** establish a clear path for growth, fostering continental and international expansion to maximise scale, mitigating macro-economic risks, and maximizing synergies across the portfolio.
- **Over-index agility and risk assessment capabilities:** firms must be prepared for macroeconomic volatility and global trade uncertainty by adopting flexible strategies and strong scenario-planning capabilities.
- **Leverage AI and digital across the investment value chain:** use AI and advanced analytics for opportunity screening, due-diligence processes, and embed AI and data-driven value-creation plans
- **For private equity investors, build exit readiness from day one:** with exit windows often unpredictable, it is key for PE buyers to ensure control and stakeholder alignment and identify potential buyers early in the process.

# AFRICAN MARKETS PERFORMANCE

## AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	November	3-Month	1-Year
Botswana	-2.52%	-5.57%	-6.62%
Egypt	1.06%	9.26%	32.37%
Ghana	-1.32%	10.58%	138.50%
Kenya	1.28%	5.51%	26.04%
Mauritius	-0.41%	1.11%	2.93%
Morocco	-0.02%	-2.95%	12.99%
Namibia	4.11%	11.43%	19.90%
S&P/FMDQ Nigeria	0.99%	15.50%	54.51%
South Africa	4.49%	13.06%	26.85%
Tanzania	0.09%	10.27%	40.61%
Uganda	-2.67%	1.78%	17.52%
Zambia	-1.25%	11.28%	59.19%

Source: S&P Dow Jones Indices

## AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	November	3-Month	1-Year
Botswana	2.03%	-1.09%	12.27%
Cote d'Ivoire	1.11%	5.89%	32.94%
Egypt	3.11%	15.16%	43.73%
Ghana	2.64%	32.32%	188.72%
Kenya	-4.14%	9.31%	75.17%
Malawi	4.22%	14.11%	361.78%
Mauritius	-2.30%	-1.66%	5.31%
Morocco	-5.18%	-9.51%	36.81%
Namibia	2.28%	13.51%	33.79%
Nigeria	-6.52%	4.82%	77.76%
Rwanda	0.36%	1.25%	12.44%
South Africa	2.23%	13.28%	40.26%
Tanzania	-2.73%	-3.01%	39.57%
Tunisia	4.14%	8.06%	42.00%
Uganda	-4.01%	-3.71%	33.03%
Zambia	-1.13%	13.86%	78.34%

## MARKETS: POLICY RATE PREDICTIONS CONTINUE TO HOLD

By Brendon Verster, Senior Economist, Oxford Economics

**O**ut of the 24 surveyed economies, our baseline policy rate outlooks are set to hold in 21. Downward revisions are expected in two countries (Egypt and Kenya), while upward changes are anticipated in Angola amid concerns around domestic fiscal policy and FX conditions.

In Southern Africa, developments in **South Africa's** monetary policy are likely to impact policy rate decisions across the Common Monetary Area, which includes South Africa, Namibia, Lesotho, and Eswatini. At its latest meeting in November, the South African Reserve Bank's (Sarb) governor, Lesetja Kganyago, emphasised that the apex bank aims to bring inflation to 3.0% over the next 12 to 24 months. The Bank of **Namibia's** Monetary Policy Committee (MPC) maintained the repo rate at 6.5% during its December meeting, leaving the policy differential with South Africa at 25 bps. According to Namibia's MPC, the Sarb's formal adoption of its new inflation target "necessitates additional vigilance by the Namibian authorities in managing domestic inflation to ensure the continued smooth functioning of the exchange

rate peg". **Lesotho's** MPC decided to lower its main policy rate to 6.5% from 6.75% on November 25, mirroring the Sarb's choice to lower its repo rate to 6.75% on November 20. Meanwhile, the Monetary Policy Consultative Committee of the Central Bank of **Eswatini** decided to maintain the main discount rate at 6.75% during its November meeting, meaning that the historically wide policy rate differential with South Africa has narrowed to zero.

Although **Botswana's** pula is pegged to the South African rand, monetary authorities made no mention of the Sarb's adjusted inflation target in its latest statement after voting to leave the policy rate at 3.5%. That said, the latest no-change vote follows a 160-bps hike in October. We think monetary authorities in Botswana are more concerned with managing liquidity and supporting the pula as the diamond crisis continues to weigh on external reserves. The Bank of Botswana's MPC stated that its policy hike should be considered a recalibration of monetary policy to amplify the impact of liquidity support measures.

# PRIVATE EQUITY FUNDS & DEALS

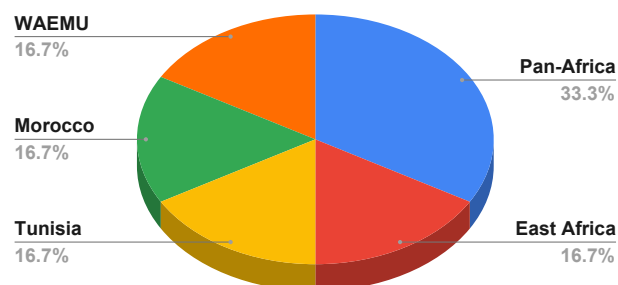
(as of the end of November 2025)

## DEALS

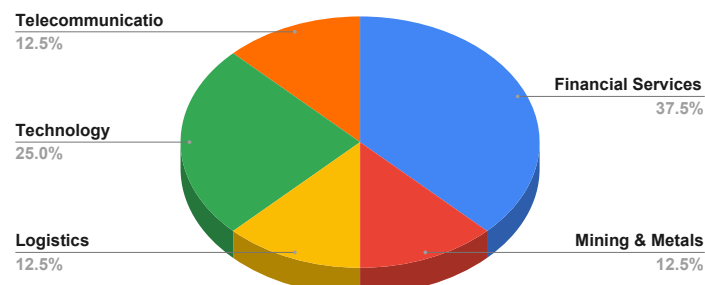
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Development Partners International // Lightrock, Alder Tree Investments, Google's Africa Investment Fund, Visa, the International Finance Corporation (IFC), Proparco, Swedfund, Verod Capital Management	Moniepoint	Financial Services	Pan-Africa	Series C	\$200m
Fund for Export Development in Africa	Africa Minerals and Metals Processing Platform	Mining & Metals	Pan-Africa	Growth Capital	\$300m
Inspired Evolution	Cold Solutions East Africa Holdings	Logistics	East Africa	Growth Capital	\$20m
Madica	Anavid	Technology	Tunisia	Pre-Seed	\$200k
Madica	Hypeo AI	Technology	Morocco	Pre-Seed	\$200k
Mediterrania Capital Partners / FMO / BII / BIO/ Impact Fund Denmark	Coris	Financial Services	WAEMU	Growth Capital	€100m
Old Mutual	10X Investments	Financial Services	South Africa	Secondary Buyout	R2.2bn
Paradigm Tower Ventures	IHS Rwanda	Telecommunications	Rwanda	Buyout	\$274.5m

## DEALS BY COUNTRY



## DEALS BY INDUSTRY



## FUNDRAISING

Company	Fund	Style	Sectors	Final Close	Target Size
Accion	Accion Venture Lab Fund II	Venture capital early-stage	Inclusive fintech / financial services technology	\$61.6m	
Enko Capital	Enko Impact Credit Fund	Debt	Agriculture, Telecoms, Manufacturing, Financial Services, Renewable Energy		\$150m

## EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Old Mutual Private Equity	10X Investments	Financial Services	South Africa	Old Mutual	Secondary Buyout
Sanari Capital	Fernridge Solutions	Market Research & Data Analytics	South Africa	Broll Property Group	Trade
Verod	Tangerine APT Pensions	Financial Services	Nigeria	APT Securities and Funds	Trade

Source: AGF

# TRANSITION MANAGERS PRESERVE VALUE WHEN CHANGING PORTFOLIO STRATEGIES

By: Africa Global Funds

**W**hen pension funds and investment managers change portfolio strategies, the visible costs are often just the tip of the iceberg. Poor execution during these transitions can erode significant value, yet many South African institutions still underestimate the risks involved and the value of partnering with an experienced transition manager.

Hiring a transition manager is the best way to tackle the complex process of moving from one investment strategy to another. "A transition manager is hired to efficiently manage the process of moving a portfolio from the legacy environment into the new target

in the market, the impact isn't just on the price of what you've sold; your holdings as a portfolio manager are also losing value," adds Matlala.

Bateman also points to transparency as a cornerstone of effective transition management. "The main value that an effective transition manager adds is transparency," he says. "They do that by helping the portfolio manager understand all the potential risks and costs – whether those be explicit costs like trading commission or implicit costs in how the market is impacted."

In South Africa's relatively illiquid markets, information leakage

**The visible costs are often just the tip of the iceberg – implicit costs can dwarf explicit fees if a transition is poorly executed**

Kagiso Matlala, Equity Sales Trader at Standard Bank

environment while managing the risks involved," says Adam Bateman, Head of Business Development and Strategic Partnerships, Investor Services at Standard Bank Corporate and Investment Banking (CIB).

Standard Bank's transition management capability is supported by a five-year alliance with Northern Trust initiated in early 2021, combining local market expertise with global best practice. "We focus on the strengths we have here – understanding the client base, the local markets, and the liquidity pools when it comes to executing," says Bateman. "Northern Trust brings nearly 40 years of transition management experience and intellectual capital around pre-trade reporting, post-trade reporting, and project management."

David McPhillips, Business Development Manager for Portfolio Solutions at Northern Trust, explains that effective transition management rests on the three critical pillars of project management, reporting and execution. "Our job as a transition manager on the front end is to optimise these pillars, quantify the risks and build a strategy to manage them," he says. "You want to work with a transition manager that has the technology and expertise to support transitions – a whole team's got to be behind it."

Kagiso Matlala, Equity Sales Trader at Standard Bank highlights that the consequences of poor transition execution extend far beyond visible trading costs, with implicit expenses typically dwarfing explicit fees. "From a trading point of view, you're trying to manage market impact versus opportunity cost for the fund," he explains. "If you don't get that right, by the end of that transition, you could be lagging your peers by a long way."

Poorly executed trades create a ripple effect across entire portfolios. "If you're a holder of a certain asset and it's badly traded

poses particular challenges. "You want to be as discreet as possible, especially when you're dealing with very illiquid assets," says Matlala. "The fewer people in the room, the better, especially from a trading point of view."

He also notes the importance of managing the entire chain, including settlement. "It doesn't stop at the trade. If the back-end processes aren't aligned, clients can face overdraft costs or settlement delays. We cover all of that to ensure the handover is clean."

On fees, Bateman explains that Standard Bank doesn't charge a separate project fee for transition management. "Our fees are built into the trading commission, which the client would incur in any event. In most cases, partnering with transition management experts ends up costing less than if the client managed the transaction themselves."

Although transition management is not new in South Africa, Matlala and Bateman believe it remains underutilised because transition execution is often seen as routine administration rather than a specialist function. They argue that, when performance is tight, the potential to incur higher than necessary costs matter, so transitions should be approached with the same discipline and care as any other investment decision.

"As funds face increased complexity, more offshore exposure, and evolving regulations, the need for expert-led transitions is only going to grow. Our role is to make those changes work operationally. It's not just about moving assets – it's about leveraging the knowledge, experience, and expertise to preserve value," concludes Bateman.

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