

AFRICA

GLOBAL FUNDS

SOUTHERN AFRICA: Fund Managers Landscape

Q&A:

Tackling Hunger and Poverty in Africa

ANALYSIS:

**Protecting Investments With
Inflation-Linked Bonds**

MARKET:

Ghana: Securities and Investments Outlook

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Southern Africa has become an epicenter for private capital activity in Africa. As of 2022, the region was home to 125 fund managers, according to AVCA. In this month's issue we look into Fund Managers Landscape in Southern Africa. Read more on pp.14-15.

In this month's issue we caught up with Luni Libes, Founder & CEO of Africa Eats. The firm uses a unique for-profit business model. The companies under Africa Eats now have a combined \$36m in revenues in 2023, growing at more than 50% year-over-year. Learn more on p.13.

This month, we've also heard from Rhandzo Mukansi at Futuregrowth Asset Management about inflation-linked bonds and how these instruments are among the few investments that directly protect investors against inflation on investment returns. Read on p.16.

Our market feature this month is Ghana. Partners from a law firm Bentsi-Enchill, Letsa & Ankomah provide a securities and investment outlook on p.22.

We at Africa Global Funds are excited to announce the 9th annual Africa Service Providers Awards! This year we partnered with MNCapital Group and the AGF Service Providers Awards 2024 will be held during the 8th Africa Investment Funds and Asset Management (AIFAM) Forum, scheduled from 6th to 8th November 2024 in Kigali, Rwanda.

Submit your applications or nominate the best service providers at www.agfawards.com.

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

TLG Capital And Wema Bank Pioneer Innovative \$10m Climate Investment Deal in Nigeria



Isha Doshi,
CFO & Partner
TLG Capital

TLG Capital, an alternative investment firm, has announced a \$10m structured private credit facility for one of the country's largest aluminum recyclers in Nigeria, in collaboration with Wema Bank, Nigeria's financial institution and pioneer of Africa's first fully digital bank, ALAT.

Isha Doshi of TLG, said: "The \$10m investment by TLG Capital and Wema Bank revolutionizes Nigeria's aluminum recycling industry, setting a pioneering benchmark in sustainable finance and massive carbon footprint reduction."

"This groundbreaking partnership exemplifies cutting-edge innovation, leveraging local expertise and creative financing to drive transformative impact in Africa's industrial landscape."

This landmark climate finance transaction is set to transform the aluminum recycling industry in Nigeria, emphasizing TLG Capital's commitment to investing in the country despite prevailing currency and macroeconomic challenges.

The five-year carbon footprint reduction of the project is estimated as the equivalent of removing 100,000 passenger vehicles off the road with approximately twelve times the dollar-for-dollar emissions reduction versus financing solar PV energy in the region. The plant will also enable 200 jobs for local Nigerians.

A core element of TLG's strategy involves forming strategic partnerships with reputable Nigerian national banks such as Wema Bank.

The collaboration with Wema Bank is designed to help clients achieve maximum success, growth, and operational flexibility, leveraging Wema Bank's local knowledge and expertise within the Nigerian financial

services industry to ensure a smooth transition, sustained support throughout the investment lifecycle and maximal impact for this investment.

To ensure success, TLG has implemented a 100-day plan by placing a dedicated representative on ground.

This individual is responsible for verifying financial information, monitoring adherence to the business plan, and conducting regular ESG (Environmental, Social, and Governance) and impact assessments on the company.

Wole Ajimisinmi, Wema Bank's Executive Director of Lagos Directorate, said: "What Wema Bank and TLG have accomplished sets a new benchmark in African banking. Wema Bank has built a reputation for providing tailored financial solutions for our customers, providing optimum returns for all our stakeholders and driving impact across key areas which include Sustainability."

"With this collaboration, TLG has become our surgical partner to assist with such intricate transactions that may be difficult for any Nigerian bank to do alone. This is exactly what we have been looking for to secure more flexible financial solutions directly to our customers."

"We remain committed to empowering the lives of our people and boosting economic growth, and we hope that more funds can approach the Nigerian market with the creativity that TLG has demonstrated. The company is one of our strongest customers and we are delighted to watch them embark on this next stage of their growth as we continue to empower their journey, all the way. We look forward to doing much more together with TLG".

Aum Thacker led the deal team at TLG Capital supported by Johnnie Puxley and Christian Rezek. Deal and transaction advisors included ThirdWay Partners, Jadara Capital, Wigwe and Partners, Better Finance and HT legal.

DEALS

TLG Makes 40th Investment

TLG Capital, an African investment firm, has announced its 40th deal, providing a \$5m financing line to Liberty & Justice, an Africa-made swimwear line.

TLG is the first institutional investor in the business, according to Aum Thacker, Investment Professional at TLG Capital.

"The retreat of multinationals from Africa presents a once-in-a-

lifetime opportunity for nimble and passionate entrepreneurs to build things in the markets they know best. We are beyond excited to partner with Chid, Georgie, and the Liberty & Justice team, supporting their vision of "Made in Africa" being on the clothing-tag in shops around the world. This deal is the first of its kind for an African apparel company and we're excited to work with the

business to reach new heights. TLG has been invested in Liberia for more than a decade and we see that the opportunity is huge, if you know how to navigate the market complexities.”

Liberty & Justice [L&J] is the first apparel line made in Africa to feature in Target's catalogue as well as the first African swimwear brand to reach big box distribution in the USA.

L&J was founded in 2022 by Chid Liberty, who founded the first fair-trade certified apparel factory in Liberia, and Georgie Badiel Liberty, a Burkinabé model and activist who won Miss Africa in 2004.

Known for vibrant and culturally rich designs, L&J's swimsuits are already lighting up the shelves of over 250 Target Stores across the US. The business is committed to the highest ethical standards of production and worker rights, including fair-trade, creating meaningful work for 700 Africans to bring African-inspired

prints to the world. TLG's investment will catalyze L&J to expand manufacturing including the opening of a future factory in Liberia.

Chid Liberty, CEO of Liberty & Justice, stated, “I've always been passionate about fashion that is inspired by Africa and made in Africa. Today, African people need jobs. We started manufacturing in Liberia when there was an 80 percent unemployment and 87% poverty, and we thought that apparel would be the best way to tap an international market while giving people good work. We've worked with many partners over the years to get off the ground, and TLG has been the best in the business. They get exactly what we're trying to do, they see the vision and they are exactly the kind of partner to help African businesses stand out on the world stage. Beyond that, they're also the kind of people that you want to work with.”

DEALS

Oikocredit Partners with AfricInvest Private Credit

Social impact investing cooperative Oikocredit has made a first-time loan of \$10m (€9.3m) to AfricInvest Private Credit (APC) to augment support for small and medium enterprises (SMEs) throughout Africa.

Lewis Nyaga, Investment Officer at Oikocredit, said: “We are extremely pleased to announce our new partnership with AfricInvest and this important debt facility designed to strengthen African SMEs. AfricInvest's extensive expertise and network, coupled with Oikocredit's dedication to impactful social investing, will help client enterprises become catalysts for positive change in their communities.”

APC is committed to providing SMEs with access to medium to long-term credit, with particular focus on enterprises underserved by mainstream financial institutions, often because they lack adequate collateral.

In addition to providing tailor-made financial solutions, APC offers capacity building initiatives to help investee companies thrive and expand sustainably.

This comprehensive approach aligns seamlessly with Oikocredit's mission of fostering sustainable economic growth and development.

Oikocredit's capital infusion will enable APC to increase its lending activities to a diverse portfolio of companies across multiple African countries.

Kouraiech Belhajali, CEO of APC, said: “We are proud of our new partnership with Oikocredit. This facility will support us in continuing to serve the underserved in Africa, widening APC's target market and reach. Through this capital infusion we look forward to the opportunity to increase our impact in terms of economic growth, employment and inclusion.”

DEALS

AIIM Reaches Financial Close for Rio Tinto And Sibanye-Stillwater Wind Farms



James Cumming,
GM
ACED

African Infrastructure Investment Managers (AIIM), a division of Old Mutual Alternative Investments, has reached financial close on the 140MW Khangela and 140MW Umsinde Emoyeni wind farms to supply renewable energy to the operations of Rio Tinto's Richards Bay Minerals

(RBM) and Sibanye Stillwater via wheeling agreements.

“We are immensely proud to have achieved financial close and construction commencement on another two private renewables projects in partnership with some of South Africa's key mining houses. Not only will the projects provide Rio's Richards Bay Minerals and Sibanye Stillwater with clean energy for their operations, but they will also create jobs and development funding streams to support and grow local communities living adjacent to the projects,” said James Cumming,

General Manager of ACED.

The projects have been led and developed by AIIM's renewable energy project development platform ACED.

Reatile Renewables has co-invested in the projects alongside the AIIM-managed IDEAS Fund, one of South Africa's largest domestic infrastructure equity funds.

Rand Merchant Bank (RMB), a division of FirstRand Bank, is the sole mandated lead arranger for both projects, and operations and maintenance services for the projects once built will be provided by AIIM's in-house operator, EIMS.

The deal entails the sale of power to the mining houses through 20-year Power Purchase Agreements. Khangela and Umsinde Emoyeni Wind Farms are situated near Murraysburg in the Western Cape, with a small portion of the proposed development site falling into the Northern Cape. Windlab South Africa (now Seriti Green) was the early-stage developer of the sites, which were then acquired and developed to financial close by ACED.

"The addition of increased power generation capacity to the national grid will contribute to offsetting the power deficit currently being experienced in the country," said Cumming.

These deals mark the ACED team and the rest of the team having brought about 470MW of private wind and solar projects to financial close in the last 24 months; enhancing the consortium's collective drive to be a leader in renewable energy development and operation in South Africa. This is further to the gigawatt of projects they have already developed and operate via the South African Renewable Energy Independent Power Producer Procurement Programme.

"AIIM continues to be committed to and successfully executing its mandate of investing in renewable energy projects that can deliver sustainable investment returns over the long-term to our predominantly South African pension fund investor base," said Sechaba Selemela, Investment Principal at AIIM.

He also highlighted the benefit of having companies such as ACED and EIMS in the AIIM fold, noting that "our in-house development platforms provide us with a differentiated and steady flow of large-scale investment opportunities, which are unmatched in this market."

Selemela added that the Khangela and Umsinde Wind Farms are 2/3rds of the largest wind cluster on the continent with the last project expected to close in the next few months. This portfolio follows from similar wind farm developments, Msenge Emoyeni and Castle Wind Farm, which both reached financial close in 2023.

Simphiwe Mehlomakulu, Executive Chairman of Reatile Group, marked this as another win for South Africa: "We are delighted to have reached financial close on both projects and support big businesses such that they continue to create employment and opportunities in the South African communities in which we operate. We continue to bring tangible solutions to alleviating load shedding by bringing sustainable generation capacity to the grid in South Africa."

Managing Director at RBM and Rio Tinto Iron and Titanium (RTIT) African Operations, Werner Duvenhage, emphasised the significance of this project, stating: "This project is expected to reduce our annual emissions by about 470kt CO₂e, equivalent to about 20% of our baseline emissions, and fulfill approximately 26% of RBM's existing energy requirements."

Sibanye-Stillwater CEO, Neal Froneman, added: "Financial close of the Umsinde Emoyeni wind farm marks another critical step in our journey to carbon neutrality by 2040. The renewable energy secured through our four PPAs will enable a stepped reduction in our carbon footprint, aiming to contribute not only to mitigate the effects of climate change, but also enhancing the sustainability and shared value creation of our SA operations through favourable pricing relative to current supply. We continue to develop and execute energy solutions that contribute to the delivery of our strategy."

EXITS

Adenia Exits Cresta Paints to Uhuru



Charles Boatin,
Partner
Adenia Partners

Adenia Partners, a private equity firm focused on growth opportunities in Africa has successfully exited its entire stake in Cresta Paints to Uhuru Investment Partners, a middle-market private equity firm focused on investing in West Africa.

Cresta Paints, headquartered in Ghana, is a leading player in the automotive refinish and protective coatings sector.

Founded in 2002, Cresta Paints has developed a comprehensive product range that includes paints, clear coats, hardeners, thinners, and more. The Company has established a leading market presence in Ghana, Nigeria and key francophone West African markets including Côte d'Ivoire, Benin, and Togo.

Adenia partnered with Cresta Paints in 2015 and has since helped the Company consolidate its position as the regional leader in the automotive refinish industry, exporting its flagship brand "SuperShine" to 10 countries across West Africa.

Adenia's partnership with Cresta's founding team has significantly

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enhanced the Company's business practices, governance, financial management, and reporting standards. Furthermore, with Adenia's support, Cresta Paints has vastly improved its environmental and safety standards, achieving ISO 45001 and ISO 14001 certifications.

Charles Boatman, Partner at Adenia Partners, said: "Our collaboration with Cresta Paints exemplifies Adenia's commitment to fostering sustainable business practices and governance that pave the way for continued growth and market leadership. We look forward to following the Company's future success under its new owners."

Nana Adow Dankwa, Partner at Uhuru Investment Partners, commented on the acquisition: "We are excited about the future of Cresta Paints and look forward to working closely with the

management team to expand the Company's footprint, enrich its product portfolio and enhance customer satisfaction."

Arun Patil, Managing Director of Cresta Paints since 2005, acknowledged Adenia's significant role in the Company's growth and expressed his excitement about the next phase of growth with Uhuru: "Adenia has been instrumental in our journey to becoming a market leader, and their support has positioned us well for continued success in partnership with Uhuru."

Adenia Partners was advised by Natrium (financial and transaction advisors), EY (financial advisor), Stafford Law and Bowman's Mauritius (legal).

Uhuru was advised by PwC (financial and tax advisor), DLA Piper Mauritius / Juristconsult Chambers and Kimathi & Company (legal).

EXITS

DPI Exits International Facilities Services

Development Partners International (DPI) has sold 100% of International Facilities Services (IFS) to a consortium comprising of ES-KO, a global provider of integrated facility support services, Phatisa, a Mauritius-based private equity firm, and IFS's management.

Established in 2000, IFS is a leading African integrated facilities management business that supports blue-chip customers operating in remote sites.

DPI made its investment in IFS from its second flagship fund, African Development Partners II ("ADP II") in 2019.

Since then, DPI has worked closely with the company's management team to navigate the complexities of operating at scale in Africa and drive further international growth.

James Griffiths, Partner at DPI said: "We are thrilled to announce our successful exit from our investment in IFS. Our partnership with Mr Webber and the senior leadership team at IFS exemplifies how institutional capital can support dynamic African businesses to navigate the inherent complexities of scaling in Africa while growing across borders. The success of IFS is a testament to our long-term partnership with management and we believe the business is now in the perfect

position for its integration with an international strategic acquirer."

Together with IFS's management team, DPI has leveraged its experience of building successful regional champions, and has helped IFS grow substantially.

The company now services more than 40 remote sites across six African countries including Mozambique, DRC and Zambia, and employs nearly 4,000 people.

DPI has also supported IFS's commitment to being deeply integrated with local communities, creating jobs and enabling foreign direct investment.

During the investment period, the business has made its operations more sustainable by reducing waste and renewing its focus on working with local suppliers.

Henlo Webber, CEO of IFS, said: "DPI has been an excellent partner and hugely supportive of our ambition; its backing and management expertise have been instrumental in guiding our business through its expansion into new markets. We are excited for our next phase of growth and the opportunity to continue building on the strong foundations in place."

DEALS

Injaro Acquires Outdoor Holdings

Injaro Investment Advisors, a Ghanaian private capital fund manager, has announced the acquisition by its fund, Injaro Ghana Venture Capital Fund (IGVCF) of Outdoor Holding Limited (OHL), which controls a majority stake in DDP Outdoor Ltd ('DDP').

Financial terms of the transaction were not disclosed.

Jerry Parkes, MD of Injaro Investment Advisors, said: "DDP has built a track record of excellence under the leadership of the late founder Mr. Torgbor Mensah, whose successor remains a minority shareholder, and which has continued under the partnership with Adenia. As we take over the baton from Adenia to continue this partnership, we remain focused

on the founder's vision of a versatile market-leading advertising partner that delivers exceptional customer service. We are indeed gratified to work alongside the management team and our fellow shareholder to extend the success story of this multi-generational Ghanaian family business."

DDP is an out-of-home (OOH) advertising company with 50 years of operational experience in Ghana. DDP operates c.1,400 advertising billboards across various OOH formats with nationwide coverage.

The Company serves a wide range of customers including multinationals and blue-chip companies with its services covering

Investors

outdoor media rentals, airport advertising, printing and signage production as well as below-the-line advertising services.

During the investment period, IGVCF seeks to collaborate with the Company to grow its market share by expanding its advertising service offering.

This investment made by IGVCF aligns with the Fund's strategy to partner with best-in-class profitable Ghanaian SMEs with credible growth potential that operate in the following sectors: Inclusive Financial Services, Food & Agribusiness, Education, Healthcare, Manufacturing and Industrial Services. IGVCF also promotes environmental, social and governance best practices in its portfolio companies to support job creation and sustained economic growth in Ghana and Côte d'Ivoire.

Nnennia Ejebe, Partner at Adenia, said: "Since investing in 2014, we have worked together with Mr. Mensah to professionalize DDP's operations and put it on a trajectory to achieve strong commercial

success for the long-term. In line with our sustainable value creation approach, we have invested to improve health and safety in line with best practices, introduced new processes and systems, and supported the professional development of its employees. We are immensely proud of all we have achieved together with Mr. Mensah and the DDP management team and look forward to following the firm's future success with IGVCF's support."

Boniface Plahar, representative of the minority shareholder, added: "We are happy to welcome Injaro onboard as a shareholder of DDP Outdoor. Over the years, it has been a pleasure working with Adenia to make DDP the leading out-of-home advertising service provider in Ghana and we hope to continue to achieve higher heights of commercial success with Injaro. With DDP's 50 years of experience and Injaro's track record as a Ghanaian Private equity fund, we believe we can, together, propel the company's growth."

INVESTORS

EIB Invests €25m in Amethis Fund III



Luc Rigouzzo

MP

Amethis

European Investment Bank (EIB Global) has invested €25m into Amethis Fund III, a pan-African fund providing private equity growth capital to medium sized companies on the continent.

Thomas Ostros, EIB Vice President, said: "The EIB is happy to support Amethis in its effort to invest in small companies in low- and middle-income countries across Africa."

"We see Africa as a close and important partner to the Bank, which has a lot of potential and untapped opportunities. However, African enterprises still don't have enough patient equity capital they need for them to grow, which is what our partnership with funds like Amethis seek to address," he said.

"Private capital is a powerful driver of economic development in Africa. Private equity funds, through investment in local enterprises, are playing a catalytic role by bringing external funding as well as knowledge and technical expertise to the companies they invest in," he added.

Amethis Fund III will target companies supplying goods and services to low and middle-income populations in Africa. The target sectors include healthcare, business services such as logistics and IT, manufacturing and distribution including agribusiness and fast-moving consumer goods, non-banking financial services, and services related to infrastructure and energy.

The fund's strategy is aligned with EIB Global's investment goals

as well as the EU's Global Gateway strategy by supporting economic development in a diversity of geographies, notably sub-Saharan countries.

The fund will pursue an impact-driven strategy developed by Amethis to address critical issues for the continent's sustainable development, by focusing on gender equality, sustainable employment – with a particular emphasis on health coverage, and climate considerations.

Luc Rigouzzo and Laurent Demey, Managing Partners at Amethis, said: "We are proud to receive the renewed support from the European Investment Bank. Building upon our prior collaborations, its strategic support will allow us to continue helping medium-sized companies deliver better Public good and services to the African consumers and to become African champions by promoting their regional integration and sustainable economic growth."

The EIB has invested nearly €3bn in equity funds with a geographic focus entailing Africa.

Some of these funds are country-specific, while some have a regional focus.

EIB's early investment has had a catalytic effect in attracting other investors to invest in funds due to the Bank's best market practice in terms of ESG applied, thus ensuring maximum impact at the level of portfolio companies.

Amethis has supported the growth of more than 30 African companies employing directly more than 40,000 people.

These companies not only contribute to the development of a high-quality economic fabric, but also address important sustainable

development goals for the continent.

Amethis benefits from a strong on-the-ground presence across four African capitals of Nairobi, Abidjan, Casablanca and Cairo, which helps identify new opportunities and monitor the market's evolution in each

country.

It also allows Amethis to build a reputation for itself of trusted partner to accompany companies in their new expansion phases, favouring value creation and impact.

INVESTORS

IFC Partners with Lenmed Hospital Group

IFC has agreed to provide a R200m senior loan to Lenmed to help the company expand its healthcare services over the next four years.

Lenmed caters for multiple income groups across all its markets. It provides acute healthcare services, including but not limited to, trauma care, cardiac services, paediatric care, maternal care, acute and emergency care, cancer treatment, orthopaedics, and neurosurgery.

The funds will be used to acquire new facilities, purchase medical equipment, and for hiring and training additional medical staff.

Lenmed will also expand the number of beds in its hospital portfolio from 2,318 to almost 3,000.

"Our investment in Lenmed will increase access to quality healthcare in South Africa and in other African countries, enabling more people to access the services they need," said Cláudia Conceição, IFC's Regional Director for Southern Africa.

"IFC complements public healthcare efforts by leveraging private sector funding and expertise to increase access and meet growing

demand for services," she said.

IFC's loan is part of a larger, syndicated loan package with three other South African lenders—Rand Merchant Bank, Ashburton Asset Managers, and ABSA Bank—totaling R2.5bn.

The combined financing will also support Lenmed's plans to expand into other African countries and help meet the company's refinancing and working capital requirements.

In addition to financing, IFC will also help Lenmed improve its environmental and social standards and ensure sustainability across its operations.

"We are extremely excited to have concluded this significant debt package with IFC and our other funding partners, which underscores the confidence in both our Group and the work that we do. This additional capital will allow us to continue driving towards achieving our ambitious growth strategy while, at the same time, fulfilling our core purpose of creating healthier and more prosperous communities across the African continent," said Amil Devchand, Lenmed's CEO.

EXITS

BII Exits I&M Group to AfricInvest

British International Investment (BII), the UK's development finance institution and impact investor, has sold its 10.1% stake in I&M Group, the Eastern African banking group, to AfricInvest, a Pan-African Asset Management platform.

The acquisition was made through East Africa Growth Holding, a special purpose vehicle entirely controlled and formed by AfricInvest.

I&M Group is a leading banking group in Eastern Africa with presence in Kenya, Mauritius, Tanzania, Rwanda and Uganda. It offers financial services to individuals, Micro, Small and medium-sized enterprises (MSMEs), and corporates across the region.

It is listed on the Nairobi Securities Exchange with the Rwandan subsidiary I&M Bank Rwanda listed on the Rwanda Stock Exchange.

BII made its investment in I&M in 2016. The banking group has recorded significant commercial growth since then, having almost tripled its loan book from 135 KESbn to 310 KESbn and its customer base from 100k to over 500k.

This growth amongst others resulted in the bank reaching Tier 1 status in the Kenya banking industry in 2019. It has also been a pioneer for digital financial services in the region.

Maximilian Biswanger, Investment Director at BII, said: "Having

been a trusted equity partner to I&M for over seven years, today's announcement represents a great outcome to BII's engagement, as we exit to a like-minded partner with a focus on commercial sustainability and development impact."

"Since our original investment, I&M Group PLC has expanded its role as a true champion to the region's business community and its aspiring personal banking clients, constituting a major driver for sustainable economic development in the region," he said.

AfricInvest has been committed to the financial services industry for over three decades, which has seen a rapid pace of innovation and disruption. Leveraging I&M's strong digital infrastructure and its innovative drive to cater to evolving customer needs, AfricInvest is uniquely equipped to collaborate and support the group in its expansion in the region.

Having previously acquired a 24.76% share in I&M Bank Rwanda in 2019, AfricInvest aims to further contribute to a resilient and impactful financial services industry in East Africa through this investment.

Julius Tichelaar, Senior Partner at AfricInvest, said: "I&M Group has established a very strong franchise in East Africa and the Indian Ocean over the past five decades, with an excellent reputation, the highest

integrity and governance standards, and a track record with quality and consistency in performance and earnings. AfricInvest is extremely proud and honoured to be extending its partnership with I&M Group beyond AfricInvest's investment in I&M Bank Rwanda."

Sarit Raja-Shah, I&M Group Executive Director, added "It is notable that when BII invested in the company, we had just embarked on our iMara Strategy which was to be implemented in three cycles. Now, as we usher in Africinvest we have just initiated the third iteration of that strategy which has sustainability at its centre and pays respect to the

economic, social and climatic state of our planet".

"The years since 2016 saw us bolster our position as a leading financial services conglomerate in Eastern Africa with BII's commercial and technical support and we are positive that Africinvest's investment will provide the Group the support to build on the progress we made with their predecessor. Our new shareholder's demonstrated focus on Sub-Saharan Africa inspires confidence that we will be able to continue the growth momentum and enhance financial inclusion in the markets where we operate".

INVESTORS

DFIs Support Sonatel's Telecoms Expansion in Senegal

IFC and partners British International Investment (BII) and Proparco have announced a financing package for Sonatel to improve essential telecommunications infrastructure in the country and expand access to reliable, affordable mobile and fixed broadband services.

The local currency equivalent €87m, sustainability-linked loan includes €32 million from IFC, €25m from BII, and €30m from Proparco.

Olivier Buyoya, IFC Regional Director for West Africa, said, "This partnership marks a significant milestone in Senegal's digital development. Together with Sonatel, we are committed to delivering

The SLF sets out ambitious goals for Sonatel in two key areas: increasing the representation of women in management positions in Senegal and expanding the reach of digital skills programs implemented by Sonatel within the country.

Sekou Dramé, CEO of Sonatel, said: "I am thrilled to underscore the significance of our partnership with IFC, British International Investment, and Proparco. Together, we spearhead a transformative journey in Senegal, driving digital innovation and fostering technological advancements that will ultimately elevate our country's

"The funding will help Sonatel, the largest telecom operator in Senegal, expand its telecommunications infrastructure, including towers and cables, particularly in rural areas

innovative and inclusive solutions that will have a lasting impact on Senegal's economy and people. Our collective vision is to create a digitally enabled future where every individual has access to opportunities and resources, driving forward Senegal's economic transformation and social progress."

The funding will help Sonatel, the largest telecom operator in Senegal, expand its telecommunications infrastructure, including towers and cables, particularly in rural areas.

Chris Chijiutomi, Managing Director, and Head of Africa at BII, said, "Investing in the digital infrastructure space is a priority for BII given its importance to address economic growth constraints in Africa. Our investment in Sonatel will help provide quality and affordable connectivity and directly foster inclusive economic growth, particularly in rural areas. It also aligns with our goal to invest more in the Francophone West Africa region. We look forward to working with our partners to connect more people and businesses in the area digitally."

The financing will be the first sustainable linked facility (SLF) in francophone West Africa. It is designed to link the pricing of the loan to the achievement of measurable objectives, making a significant contribution to sustainable development.

digital landscape."

Françoise Lombard, CEO of Proparco, added: "We are thrilled to support Sonatel's investments in Senegal's digital infrastructure to improve the quality of service and expand the geographical reach of the digital network in the country. While improving customer experience, investments in innovative solutions should eventually boost economic opportunities in Senegal. We are also supportive of Sonatel's commitment to provide ambitious training program targeting entrepreneurs and start-ups as well as to push for a higher representation of women in management positions."

The project builds on an existing partnership between IFC, a member of the World Bank Group, and Sonatel. It aligns with Senegal's ambition to develop sustainable digital infrastructure to modernize its economy. BII is the development finance institution of the UK government. Proparco is a development finance institution and a subsidiary of Agence Française de Développement Group.

IFC's investment is supported by the International Development Association's (IDA) Private Sector Window Local Currency Facility, which helps provide longer-term, local currency funding for high-impact projects in IDA and fragile and conflict-affected situations where local currency solutions are underdeveloped or absent.

MARKETS AND INDUSTRY NEWS

FCTC Sonatel Asset Backed Security Lists on West African Regional Stock Exchange

The Fonds Commun de Titrisation de Créances (FCTC) Sonatel bond - backed by the EAIF and IFC as anchor investors - has listed on the Bourse Régionale des Valeurs Mobilières (BRVM), the West African Economic and Monetary Union's (WAEMU) regional stock exchange.

Olivier Buyoya, IFC Regional Director for West Africa, said: "We take great pride in witnessing the listing of the bond on the regional exchange, following our support for the first-ever securitization in the telecoms sector in West Africa. This listing not only reflects our commitment to the development and deepening of the regional capital market but also underscores our dedication to supporting regional economic development and promoting investment opportunities."

The landmark transaction is a major step forward for Sonatel, a West African telecommunications carrier with the largest network in Senegal.

The proceeds of the listing enable the company to secure liquidity in the secondary market - deepening local capital markets, supporting the acquisition of a 5G licence, extending mobile and internet network infrastructure, including subsea cables, and upgrading mobile money and data services in Senegal.

impact-linked businesses.

Folatomi Fayemi, Investment Specialist at Ninety One, the fund manager of the Emerging Africa Infrastructure Fund, said: "Listing the bond on the regional exchange will help Sonatel raise capital from a diverse pool of investors, supporting the company's ambitions to improve access to digital services in the West African region. Our latest investment in Sonatel demonstrates our firm commitment to supporting businesses that transform markets through investments in critical infrastructure, driving economic growth through the creation of digital jobs and online businesses."

Sonatel will use the proceeds to increase internet access in rural and underserved areas, driving digital transformation through the creation of new jobs and the development of digital skills.

According to 2024 data, multiple countries in West Africa are characterised by some of the lowest internet penetration rates in Africa, with geographies such as Sierra Leone (30.4%), Guinea Bissau (31.6%) and Mali (33.1%) falling below 40% continent-wide average internet penetration in 2022.

“The proceeds of the listing enable the company to secure liquidity in the secondary market - deepening local capital markets, supporting the acquisition of a 5G licence, extending mobile and internet network infrastructure, including subsea cables, and upgrading mobile money and data services in Senegal

The XOF 75 billion, receivables-backed, AAA local-rated bond was issued in January 2024, with a XOF 23.5 billion (c.\$39m) commitment from the EAIF and a XOF 25 billion (c.\$41m) commitment from the IFC, with the remaining amount successfully placed with local and regional investors.

The listing demonstrates EAIF and IFC's ability to catalyse local and regional investor participation in telecommunications-linked corporate debt and in the local asset-backed securities market, deepening the BRVM's capacity to provide fundraising opportunities to companies operating in the diverse region of 130 million people.

EAIF's investment in the FCTC Sonatel 2023-2038 asset backed security follows a XOF 15 bn (c.\$27m) commitment to the telecommunications firm in 2020.

The Fund acted as an anchor investor for its XOF 100 billion (c.\$180m) inaugural corporate bond that was used to upgrade 4G+ networks in urban and rural areas in Senegal.

The commitment forms part of EAIF's strategy to support digital transformation through cutting-edge infrastructure that will encourage Africa's entrepreneurs to expand services through disruptive and

The need for strategic finance to fund world-class telecommunications infrastructure is a crucial barrier to enhancing internet access in Africa, prohibiting the development of a thriving digital economy by creating tech-empowered business models such as e-commerce, digital financial services and ride-sharing apps.

Bineta Dior Beye, CFO of Sonatel, said: "We are confident that this transaction will strengthen our leading position in the telecommunications market and enable us to continue to provide superior services to our customers."

SGL Invictus Capital and KF Titrisation acted as arrangers in the transaction.

Isaac Mbaye, CEO of Invictus Capital & Finance, on behalf of the Consortium (Invictus Capital & Finance as the arranger of the bond and KF Titrisation as the Management Company of Securitization funds), added: "As a market participant, one of its most important roles is to increase the depth of the regional financial market by strengthening the secondary market. The listing of these bonds fits into this framework by allowing investors to trade them on the BRVM (WAMU regional stock exchange)."

TACKLING HUNGER AND POVERTY IN AFRICA



Africa Eats uses a unique for-profit business model. The companies under Africa Eats now have a combined \$36m in revenues in 2023, growing at more than 50% year-over-year. Africa Global Funds's Anna Lyudvig caught up with Luni Libes, Founder & CEO of Africa Eats, to learn more

**ANNA LYUDVIG (AL):
PLEASE TELL US
ABOUT AFRICA EATS.**

LUNI LIBES (LL): The story of Africa Eats began in 2014 at the Fledge accelerator, when we invited our first Tanzanian entrepreneur to Seattle. Between 2014 and 2020 more than two dozen African food/ag SMEs had been invited to programs in Seattle, Lima, Barcelona, Padova, and Nairobi, out of the 100+ companies from four continents. In 2020 Fledge spun out Africa Eats as an investment company focused on African food/ag SMEs, in an effort to help them scale up nationally, then regionally.

We've got \$11m of funding so far, all of HNW individuals and family offices. Mostly Americans plus a few Canadians and Europeans. That capital has grown into a portfolio valued at more than \$25m, which is our portion of the approx. \$150m in total valuation across all of the SMEs we work with.

AL: IN WHAT TYPE OF COMPANIES DO YOU INVEST?

LL: Most of our companies are aggregator/processor/distributors, buying food from smallholder farmers, sorting, cleaning, and minimally processing the food, then distributing to restaurants, supermarkets, and other retailers. All of those are staple foods: maize flour, potatoes, bananas, honey, rice, chicken, fish, goats, etc. A few of our companies sell agro or agrovet supplies to smallholder farmers, helping increase yields and incomes.

We tend to add companies when they are tiny, \$30,000-\$300,000 in annual revenues. We only work with profitable companies. We tend to pick companies that have a history of capital efficiency, turning each \$1 of investment into more than \$1 of annual revenues.

AL: PLEASE TELL US ABOUT YOUR INNOVATIVE FUNDING MODEL.

LL: Africa Eats is not a fund, it's a mashup of venture capital, business accelerator, and Berkshire Hathaway. From the VC playbook we make minority equity investments in each company, but layer on loans for opex and invoice financing. Far more of our time is spent acting as a growth-stage accelerator, helping and guiding our founders to grow

their once-tiny companies beyond \$1m USD (equivalent) in annual revenues, then \$10m, then more. Finally, Warren Buffett's advice is that the best time period for owning an investment is forever. With that, we have no plans on selling any of our companies. Our goal is to help them get as big as they want to be, which is typically national, regional, or pan-African.

This model lets us focus first and foremost on growth, with no time wasted worrying about exits. We fill in gaps of funding, knowledge, and connections to help our companies through the inevitable challenges that come from scaling up annual revenues at a typical 50%-100% compounded growth rate.

AL: WHAT RISKS DO YOU FACE AS AN INVESTOR IN AFRICA AND HOW DO YOU MANAGE THOSE RISKS?

LL: American and European investors worry too much about political instability, corruption, and forex. The risks investing in early-stage companies anywhere in the world are far greater risks. The mitigation for all of this is diversity, building a portfolio that includes multiple countries, multiple business models, multiple sub-sectors, etc.

Africa Eats' portfolio is 21 companies based in eight countries. This is a portfolio that has survived a global pandemic. That in four years has already seen droughts, floods, and civil unrest. And yet a portfolio that has grown in value more than seven-fold in four years.

AL: WHAT CAN WE EXPECT FROM AFRICA EATS IN THE NEAR FUTURE?

LL: More. More growth in revenues. Both from existing companies as well as new companies added to the portfolio. We're tacking aggregate annual revenues back a whole decade, counting 2014 as the start date for this portfolio, as that is when we met the first of the companies. The compounded growth rate over that decade is 52%. If we keep that up for the rest of the 2020s this group of SMEs will be earning over \$200m. And in that process they'll be pulling millions of smallholder farmers and their families out of poverty simply by buying the farmer's outputs, and feeding hundreds of millions of Africans in the process.

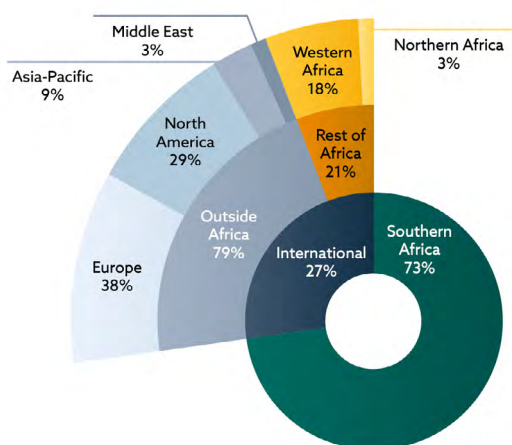
SOUTHERN AFRICA: FUND MANAGERS LANDSCAPE

By The African Private Capital Association (AVCA)

Since the establishment of the first fund manager in Southern Africa in 1984, the region has witnessed the genesis of a steady stream of Africa focused fund managers to emerge as an epicenter for private capital activity in Africa. As of 2022, Southern Africa was home to 125 fund managers. Of these, 91 were headquartered locally, having grown at a compound annual growth rate (CAGR) of 11% since 2000. Unsurprisingly, South Africa alone accounted for 80% of the fund managers in the region.

Given its dynamism and market maturity, Southern Africa is an appealing private capital destination for international fund managers. In addition to locally based fund managers, 34 foreign fund managers had offices in the region. These were predominantly headquartered in Europe (38%), North America (29%) and the rest of Africa (outside Southern Africa) (21%).

FIGURE 1: DISTRIBUTION OF FUND MANAGERS LOCATED IN SOUTHERN AFRICA, BY HQ LOCATION (SOUTHERN AFRICA VS INTERNATIONAL), 2022



PROFILE BY ASSETS UNDER MANAGEMENT

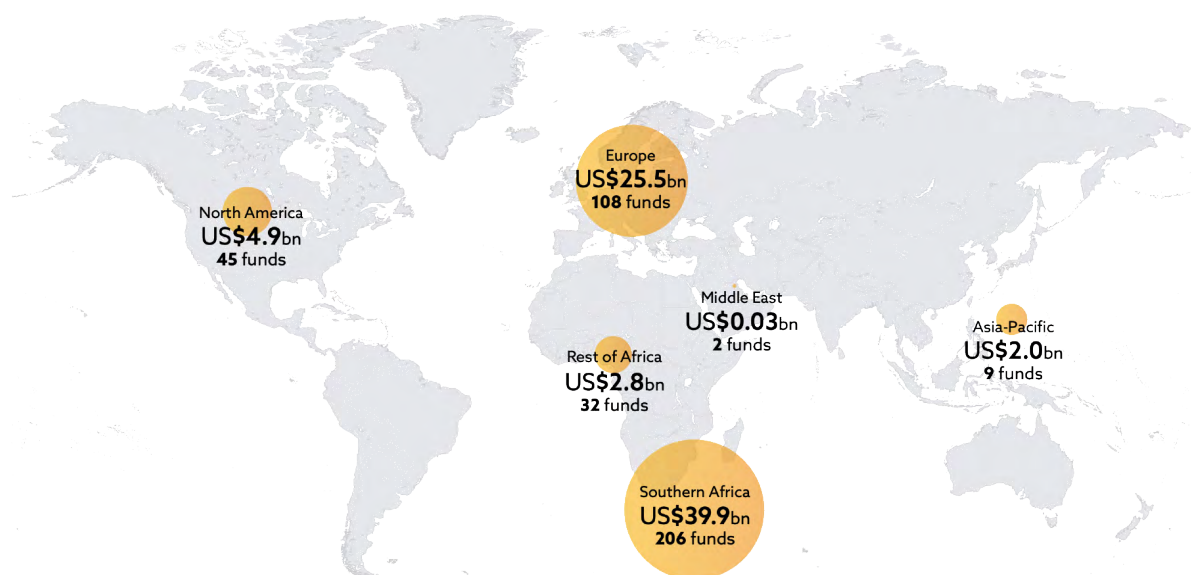
As of December 2022, these international fund managers collectively managed over US\$35.3bn globally. This was marginally less than the US\$39.9bn managed by locally based fund managers, illustrating the depth of the footprint these domestic private capital actors have in the region. Collectively, the 125 fund managers operating in Southern African managed assets worth over US\$75bn as of December 2022.

Despite the dominance of fund managers with comparatively smaller assets under management (AUM), the region hosts a diverse range of fund sizes. The average AUM of fund managers headquartered in Southern Africa was US\$644m. However, a significant proportion (47%) managed assets below US\$100m, with the average for this category standing at US\$39m. International fund managers diverged from this regional trend and tended to be larger, with an average exceeding US\$1.5bn of assets under management per manager. Notably, the majority of international fund managers (48%) managed assets worth over US\$500m.

PROFILE BY FUNDS RAISED

Fund managers located in Southern Africa have collectively raised 402 funds, of which slightly more than half (206 funds) were launched by locally headquartered firms. On average, Southern African-based fund managers have raised 3 funds since inception, with the majority (86%) raising less than 5 funds. On the other hand, international fund managers tended to raise more funds than their local counterparts. Illustratively, 42% of this international cohort have raised more than 5 funds – with an average of 12 funds – while only 14% of locally headquartered firms have raised more than 5 funds. Although Southern Africa is home to some of the oldest private capital houses in Africa, the profile of fund managers based in this region reflects its ‘emerging’ status relative to the global context.

FIGURE 2: PROFILE OF FUND MANAGERS LOCATED IN SOUTHERN AFRICA, BY HQ LOCATION & ASSETS UNDER MANAGEMENT (US\$BN) & NUMBER OF FUNDS RAISED TO DATE, 2022



PROFILE BY ASSET CLASS FOCUS

Since the late 1980s and early 1990s, Southern Africa’s fund managers have diversified their investment strategies, exploding from a sole focus on private equity to incorporate a broader range of asset classes. This evolution, spurred in part by the tremendous growth of Africa’s venture capital ecosystem, has seen increased allocation towards startups and technology ventures. In the same vein, the region’s rising population and urbanising demography have driven a greater focus on real estate and infrastructure investments to meet infrastructure needs and bridge financing gaps. Finally, while still nascent, the rise of private debt investment strategies highlight ongoing efforts by fund managers to provide tailored credit solutions for the region’s rapidly growing businesses and address the tightening of traditional bank lending regulations. Despite this diversification, private equity remained a priority for most locally headquartered fund managers (59%), followed by venture capital (33%). International fund managers, however, displayed a more balanced allocation between private equity (56%) and venture capital (53%), in line with broader global trend towards that privilege diversified investment strategies. In summary, the maturation of Southern Africa’s fund management landscape reflected in its expanding asset class spectrum. This evolution was marked by a continued strong preference for private equity among local and international investors alike.

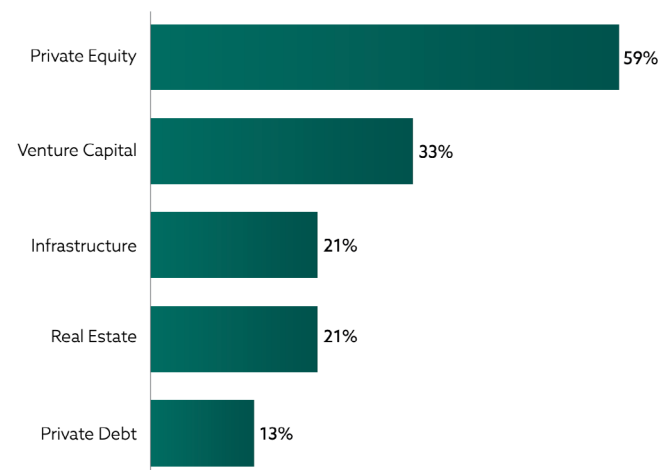
PROFILE BY SECTOR FOCUS

Southern African fund managers invest across a broad range of industries, financing sectors that contribute to the region’s economic activities. While the wider continent has seen an increase in the number of fund managers adopting a sector-specific focus, most regionally headquartered fund managers remain generalists. Worth highlighting, is the popularity of traditional sectors which remained prominent among fund managers in the region, with Consumer Goods and Services (69%), Business Products and Services (63%), and Financials (62%) being top investment targets.

Furthermore, the growing preference for emerging sectors, driven by the rise of technological advancements, has made Information Technology (69%) and Healthcare (55%) popular among fund managers in the region. Amidst a global push towards sustainability, Energy and Environment sectors now attract 48% of regional fund managers highlighting a commitment to financing companies enabling the transition to a low carbon economy. These sectors similarly lead the investment focus of international fund managers operating in Southern Africa. Interestingly, whilst Financials is the most common sector focus for international fund managers, their counterparts in Southern Africa continue to prioritise Information Technology. Overall, fund managers in Southern Africa have demonstrated a clear pivot towards sectors that are at the forefront of technological innovation and sustainable development.

The article is part of the “Private Capital Regional Landscape: Southern Africa” report produced by AVCA <https://www.avca.africa/data-intelligence/research-publications/private-capital-regional-landscape-southern-africa/> Images sourced from AVCA

FIGURE 3: PROFILE OF MANAGERS LOCATED IN SOUTHERN AFRICA, BY ASSET CLASS FOCUS, 2022



PROTECTING INVESTMENTS WITH INFLATION-LINKED BONDS



By Rhandzo Mukansi, Fixed Income Portfolio Manager,
Futuregrowth Asset Management

Inflation-linked bonds (ILBs) are among the few investments that directly protect investors against the erosive impact of inflation on investment returns. Other investments such as vanilla (or more formally known as nominal) bonds and equities provide no guarantee that they will deliver returns that are in line with, or higher than, inflation.

Inflation's erosive impact on wealth creation cannot be underestimated. For instance, a R100 monthly income distribution in South Africa, with inflation pegged at the 4.5% midpoint of the inflation target band, would decline in value to R95.50 in real terms after a year, and to R63.10 after 10 years.

The performance of these bonds is safeguarded against inflation as their payment profile and capital values are directly linked to the inflation rate. As a result, their value increases with rising inflation and decreases when inflation falls. ILBs are 'indexed', which means that the principle and interest payments rise and fall in tandem with inflation. This shows that if an ILB is kept to maturity, it will provide a guaranteed return over inflation.

Sovereign issued Inflation-linked bonds are also deemed less risky than corporate bonds from a counterparty exposure perspective because the government issues them. Thus, the capital and income distributions are backed by a government guarantee that investors will be repaid. An investor will not get their money back if the government defaults on its debt, which is a remote risk for local currency denominated bonds.

The Commonwealth of Massachusetts issued the first ILBs in 1780, during the American Revolution. The United Kingdom was the first developed nation to issue ILBs in the 1980s, followed by Australia, Canada, Mexico, and Sweden. In January 1997, the United States launched its first Treasury Inflation-Protected Securities (TIPS), which are now the largest component of the worldwide ILB market.

The South African government issued the first ILB in March 2000. The R189 was a 13-year bond with a real coupon rate of 6.25%.

Inflation-linked bonds, or inflation linkers, ensure that both the capital invested, and the coupons paid are indexed to a specific inflation measure. In South Africa, for example, sovereign issued inflation-linked bonds are tied to the headline consumer price inflation index.

For example, the Futuregrowth Core Inflation-linked Bond Fund, benchmarked against the FTSE/JSE IGOV Index, protects investors'

capital and income from domestic headline inflation risk. In the US, similar bonds might be linked to the Consumer Price Index for All Urban Consumers, and in Europe to the Harmonised Index of Consumer Prices.

These composite measures of consumer inflation are deemed most reflective of the rising level of prices in an economy on an annual basis and thus enable the issuers of the debt to protect the purchasing power of the investor.

INVESTMENT BENEFITS OF INFLATION-LINKED BONDS:

- **Real return preservation:** When held to maturity inflation-linked bonds provide real (after-inflation) returns. That means that over time, investors are hedged (protected) against inflation and the value of their capital (money initially invested in the bond) and income (the biannual yield distributed by the borrower) doesn't get eroded by the rising cost of living over time.
- **Relatively low-risk investment:** Inflation-linked bonds, particularly if issued by the government, are relatively low-risk investments. Unless the government or company issuing the bond defaults, you will receive the income and capital back if you remain invested until the bond matures.
- **Diversification:** Inflation-linked bonds have distinct diversification benefits in a portfolio because of their ability to hedge against inflation. Other assets like equities and nominal bonds do not offer built-in protection against inflation. Thus, when inflation rises significantly beyond market expectations, inflation-linked bonds tend to outperform their nominal bond counterparts.

Inflation-linked bonds have an essential role to play in an investment portfolio or as a standalone investment because of the protection they provide against the erosive impact of inflation on investors' wealth. Although inflation has moderated in the past year, the inflation outlook bears upside risk due to the still unpredictable macroeconomic and geopolitical conditions. Thus, inflation-linked bonds offer appeal as an investment vehicle that protects against the erosive effects of inflation on investment returns.

The FTSE/JSE IGOV, a composite Inflation-linked Bond Index delivered a 6.20% annualised return between end-January 2019 and end-January 2024, which exceeds the average annual headline consumer price inflation rate of 4.96% over the period. Meanwhile, the Futuregrowth Core Inflation-linked Bond Fund has outperformed the FTSE/JSE IGOV Index (its benchmark) over all periods since inception, highlighting its consistent ability to outperform its targeted return.

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Contact: editor@africaglobalfunds.com

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	May	3-Month	1-Year
Botswana	0.70%	3.24%	16.65%
Egypt	4.95%	-28.50%	-19.01%
Ghana	-6.93%	-15.20%	-14.32%
Kenya	5.03%	18.82%	12.71%
Mauritius	1.83%	0.48%	4.96%
Morocco	1.70%	2.11%	11.14%
Namibia	-0.38%	2.43%	18.20%
S&P/FMDQ Nigeria	-5.71%	7.25%	-68.80%
South Africa	0.80%	2.03%	18.91%
Tanzania	-0.30%	-5.95%	-11.86%
Uganda	-0.69%	4.79%	10.77%
Zambia	4.86%	-4.50%	3.32%

Source: S&P Dow Jones Indices

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	May	3-Month	1-Year
Botswana	3.28%	6.08%	26.07%
Cote d'Ivoire	12.15%	15.69%	33.69%
Egypt	11.82%	-37.94%	8.13%
Ghana	-4.86%	6.87%	23.58%
Kenya	13.58%	47.03%	25.75%
Malawi	0.79%	-2.09%	-31.50%
Mauritius	0.12%	4.52%	12.22%
Morocco	1.55%	2.43%	25.03%
Namibia	0.04%	3.84%	25.86%
Nigeria	-1.22%	11.10%	-49.75%
Rwanda	-0.50%	-0.35%	-2.93%
South Africa	-0.03%	7.02%	14.78%
Tanzania	-0.39%	0.20%	5.87%
Tunisia	4.94%	10.36%	8.37%
Uganda	2.46%	14.61%	13.52%
Zambia	6.28%	-0.18%	32.95%

Source: S&P Dow Jones Indices

Market Outlook

By Imara Asset Management

Africa is expected to outperform the rest of the world with an improved outlook in 2024. We continue to allocate to high quality businesses; those that score highly on our internally developed, Likert Q-scoring system, both currently and over time. We have two additional quantitative overlays, valuation and growth. We also have two qualitative overlays being management and ESG. What is particularly exciting is that we have a number of businesses across Africa that fit these criteria. The key transformational trends of financial inclusion, urbanisation and economic formalisation underpin a robust African consumer story that is taking shape regardless of global volatility. We allocate to the best companies in the sectors that tap into this transformation. At the moment, we have a bias towards financial inclusion and fintech themes as they do particularly well on our growth metrics.

Nigeria – The new President is taking reforms seriously, collapsing all rates to a single I&E window; a hugely positive signal to the markets. This, as new bills have been signed into law coupled with other positive moves, including the removal of fuel subsidies. The road to full recovery will take committed policy change and will be bumpy. The communications, fintech and banking sectors are growing strongly, yet high quality companies exploiting these, are at all time low valuation multiples.

Egypt – The short term outlook for Egypt is extremely positive on the back of the UAE real estate deal, the IMF and the World Bank deals. The tourism outlook has improved, wheat prices have halved, and strong remittance growth has returned. With the bulk of household consumption in cash, the investment opportunity for us in fintech is immense in this 100m population country and it will also drive economic formalisation and increased government revenue through widening of the tax net.

Morocco – Morocco's key economic drivers are mining, agriculture and tourism. Tourism is rebounding with positive indicators for 2024. In terms of outlook, it remains a stable, mid-growth country with excellent opportunities in retail, manufacturing and fintech.

Mauritius – Tourism rebounded and growth prospects are positive.

Kenya – Peaceful elections and a new, business-friendly President bode well for the country in the foreseeable future. Continued recovery in tourism, lower soft commodity import prices and a rebound in food exports should provide tailwinds. Corporate expansion into neighbouring countries such as the DRC and Ethiopia, provide significant opportunities for Kenya. Safaricom and Equity Group are the two main drivers. IMF and World Bank support will also allow the country to maintain a strong growth trajectory

PRIVATE EQUITY FUNDS & DEALS

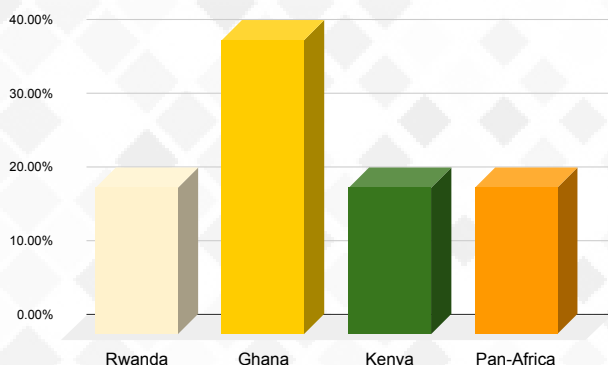
(as of the end of May 2024)

DEALS

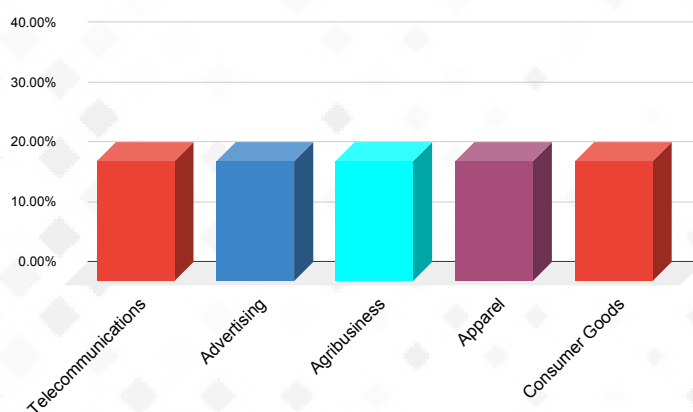
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Admaius Capital Partners	TRES Infrastructure	Telecommunications	Rwanda	Buyout	Undisclosed
Injaro Investment Advisors	DDP Outdoor	Advertising	Ghana	Growth Capital	Undisclosed
Renew Capital	Farm to Feed	Agribusiness	Kenya	Growth Capital	Undisclosed
TLG Capital	Liberty & Justice	Apparel	Pan-Africa	Growth Capital	\$5m
Uhuru Investment Partners	Cresta Paints	Consumer Goods	Ghana	Secondary Buyout	Undisclosed

DEALS BY COUNTRY



DEALS BY INDUSTRY



FUNDRAISING

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

EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Adenia Partners	Cresta Paints	Consumer Goods	Ghana	Uhuru Investment Partners	Secondary Buyout
Apis Partners	Adumo	Payments	South Africa	Lesaka Technologies	Trade

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 2024-05-31)										
-0.96	2.39	10.7	4.56	0.48	326.00 (12/23)	Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
African Domestic Bond Fund (as-of 2024-05-31)										
	1	-8.4	-30.2	-11.9		ETF - local currency FI	African region	Mauritius	Open-End	9/18
African Lions Fund (as-of 2024-05-31)										
11.57	4.68	9.24	31.49		26.15 (05/24)	Equity	SSA ex-SA	BVI	Open-End	10/20
Allan Gray Africa Bond Fund (as-of 2024-05-31)										
5.9		26.7	2.8	5	303.00 (05/24)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2024-05-31)										
-5.73	6.98	-9.86	-2.03	1.05	408.00 (05/24)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Commonwealth Africa Fund (as-of 2024-05-31)										
-2.19	0.42	13.05	-5.38	-0.64	3.16 (05/24)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2024-05-31)										
11.07	7.22	-1.64	-5.27	-4.58	232.90 (04/24)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
DWS Invest Africa (as-of 2024-06-18)										
-10.59	-1.92	-5.48	-4.7	-3.72	23.51 (05/24)	Equity	African region	Luxembourg	SICAV	07/08
EFG-Hermes MEDA Fund (as-of 2024-05-16)										
1.49	-5.16	13.18	18.55	14.43		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Enko Africa Debt Fund (as-of 2024-05-31)										
13.3	2.45	32.79	12.5	15.59	662.00 (05/24)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2024-06-18)										
4.63	-2.47	13.08	-15.06	-5.07	216.28 (05/24)	Equity	EMEA	Luxembourg	SICAV	06/07
Imara African Opportunities Fund (as-of 2024-05-31)										
-11.05	5.43	-20.73	-18.49	-10		Equity	African region	BVI	Open-End	06/05

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
Laurium Africa USD Bond Fund (as-of 2024-04-30)										
3.6	-1.9	19.5			50.00 (04/24)	Fixed Income ex South Africa	African region	Ireland	UCITS	04/21
Laurium Limpopo Master Fund (as-of 2024-05-31)										
12.97	5.3	11.61	0.48	-2.16	161.90 (03/24)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2024-05-31)										
-8.22	9.01	-18.15	-9.57	-9.5		Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2024-05-31)										
	-2.3	-10.7	-30.9	-19.5		Fixed Income	African region	Mauritius	Open-End	2/14
Ninety One Premier - Africa Fund A (as-of 2024-04-30)										
-11.11	1.39	-34.83	-33.6	-23.53	0.45 (05/24)	Equity	African region	Guernsey	Open-End	01/07
Old Mutual African Frontiers Flexible Income Fund (as-of 2024-06-18)										
8.07	-1.22	19.63			24.20 (05/24)	Fixed Income	African region	Ireland	OEIC	05/22
Old Mutual African Frontiers Fund (as-of 2024-05-31)										
14.86	5.87	9.27	-1.73	-2.37	230.92 (04/24)	Equity	Africa ex-SA	Ireland	Open-End	5/10
Sanlam Africa Equity Fund (as-of 2024-05-31)										
8.08	6.17	4.14	-0.64	0.45		Equity	Africa ex-SA	Ireland	Open-End	07/15
Silk Invest Emerging Africa Bond Fund (as-of 2024-01-31)										
-0.74	-0.74				1.51 (01/24)	Fixed Income	African region	Mauritius	Open-End	09/16
Steyn Capital Africa Fund (as-of 2024-05-31)										
-6.59	1.74	-5.01	0.36	-0.13	144.00 (04/24)	Equity	Africa ex-SA	Malta	SICAV	09/11
Sustainable Capital Africa Alpha Fund (as-of 2024-05-31)										
0.78	11.9	3.93	0.56	1.87	300.00 (12/23)	Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2024-05-31)										
-18.4	5.38	-21.23	-10.34	-8.51	8.00 (12/23)	Equity	Africa ex-SA	Holland	Open-End	03/08
T. Rowe Price Africa & Middle East Fund (as-of 2024-05-31)										
-3.39	-3.85	10.35	2.97	5	90.70 (05/24)	Equity	MENA & SSA	United States	Open-End	10/11

GHANA: Securities and Investments Outlook

By Bentsi-Enchill, Letsa & Ankomah

In the face of decelerating global growth, lowering inflation, increasing conflict (caused by wars such as the ongoing Russian-Ukraine War, the Israeli-Palestinian War, the Red Sea crisis, and other international and domestic flashpoints) and the political risks and uncertainty expected with what is being called “the ultimate election year” (it is reported that 49% of the global population of voters will head to the polls for national elections this year - more voters than ever in history), we project that some existing foreign investors will consider the improving domestic situation as the perfect opportunity to exit their investments, leading to the introduction of new investors. This will result in significant M&A activity, especially in the financial services sector.

Our sector specific outlook is as follows:

CAPITAL MARKETS

We expect activities in the GSE's equity market to continue the growth trajectory, fueled primarily by rights issues and new listings of shares issued by banks seeking to raise funding to improve CAR and meet regulatory capital prescriptions.

In the bonds market, activities on the GFIM should also pick up, as confidence in the national economy leads to more trades involving the bonds issued under the DDEP. We also expect that dropping interest rates, improving macroeconomic conditions and the desire for more diversified investment products will lead to new offerings of corporate debt instruments in 2024.

“It is reported that 49% of the global population of voters will head to the polls for national elections this year - more voters than ever in history”

Trading options in the capital markets is expected to be deepened through the finalisation and issuance of the draft Securities Industry (Financial Resources) Guidelines, which the SEC published in 2023.

Among others, the draft guidelines will provide detailed regulatory guidance for the treatment of securities borrowing and lending agreements, securities margin financing, short selling, off-exchange traded derivative contracts, interest rate swap agreements, foreign exchange agreements, and repurchase transactions.

ALTERNATIVE INVESTMENTS

The fact that the number of licensed private funds doubled in 2023 attests to the burgeoning demand for alternative investments. We expect this interest to bring the regulatory framework for private funds into sharper focus in 2024. Both industry and the SEC are aligned that a light touch legal regime is required, and we anticipate that some changes will be made in that regard. It is our expectation that the licensing of the new private funds will lead to more M&A activity and increased debt financing sources, as fund managers raise equity and debt investments from qualified investors and channel these investments into the real sector.

The Venture Capital Trust Fund (VCTF) has already established two new funds (the Startup Catalyst Fund and the Strategic Industries Funds) and committed an aggregate of \$16m in investments across four Ghanaian funds, in furtherance of its agenda to provide SMEs with alternative sources of attractive, long-term financing. SME investments will also receive a major boost with the finalisation of the Securities Industry (Crowdfunding) Guidelines, which is expected to be issued in the course of the year.

BANKING & CREDIT

We expect to see a lot of activity in the banking sector, as banks attempt to increase their capital and restore their CAR to pre-regulatory relief levels. Credit bureaus, which are also regulated by the Bank of Ghana, have to raise capital to meet their increased capital requirements. These may lead to M&A activity in the banking and credit sector in 2024. The Government may increase its stake within the banking industry,

given its plans to use its special purpose vehicle (Ghana Amalgamated Trust PLC) to recapitalise banks such as the National Investment Bank, Agricultural Development Bank PLC, Consolidated Bank Ghana LTD, and GCB Bank PLC. If the Ghana Financial Stability Fund is implemented as is currently being proposed, the Government may also acquire shares in any other bank which approaches it for solvency support. As macroeconomic conditions improve and banks are recapitalised, we expect that banks will increase their extension of credit to the private sector, thereby reversing the contraction experienced last year.

THE FOREMOST GATHERING OF INSTITUTIONAL INVESTORS

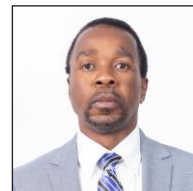
BE PART OF IT!

Sustainable and alternative investing high on the agenda as Institutional investors to convene in Rwanda

MNCapital Group, in partnership with various strategic institutions is convening key players in the investment space for the **8th Africa Investment Funds and Asset Management (AIFAM) Forum**, over period of three (3) days in the vibrant city of **Kigali, Rwanda**. Under the distinguished theme of **"Sustainable Finance and Alternative Investment Strategies for African Pension Funds,"** this forum promises to be an insightful gathering of industry leaders, policymakers, and experts dedicated to exploring innovative avenues for driving sustainable growth across the continent. Set against the backdrop of Africa's evolving financial landscape and the imperative for sustainable growth, this forum will serve as a pivotal platform for exploring innovative approaches to investment and asset management. This forum presents a unique opportunity to engage in strategic dialogues, share best practices, and forge partnerships that will shape the future of investment and asset management in Africa. We anticipate insightful discussions, invaluable networking opportunities, and actionable insights that will propel the African investment ecosystem forward.



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Chief Executive Officer & Principal Officer, Debswana Pension Fund



PROF. EMMANUEL BOTLHOLE
Chairman, UB Defined Contribution Pension Fund



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