

AFRICA

GLOBAL FUNDS

PRIVATE CAPITAL INVESTMENT ACTIVITY SLOWS IN AFRICA, But Exits and Private Credit Show Strength

ANALYSIS:

**THE CHANGING LANDSCAPE OF DIGITAL
INFRASTRUCTURE: CONSOLIDATION AND
OPPORTUNITY**

OPINION:

**UNLOCKING TRADE AND GROWTH: HOW A SINGLE
VESSEL IS CHANGING EAST AFRICA'S ECONOMY**

COMMENT:

IS THE NIGERIA CARRY TRADE STILL WORTH IT?

Your Insight Into African Asset Management



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Private capital investment activity in Africa reached \$3.7bn in 2024, a 27% decline year over year, according to GPCA's 2025 Industry Data & Analysis. Africa Global Funds caught up with **Jeff Schlapinski, Global Private Capital Association's Managing Director of Research**, to discuss latest findings. Read our interview on pp.14-15.

In this month's edition, **Evon Jeewan, Corporate Finance Principal at investment banking and advisory firm Bravura**, explores the emerging investment opportunities in Africa's digital infrastructure sector. As companies merge and acquire to scale operations, enhance efficiencies, and drive innovation, the evolving landscape presents a compelling case for strategic investment in the continent's expanding connectivity ecosystem. Read on p.16.

In addition, **Gavin Serkin** writes about the launch of M.V. Mpungu, East Africa's first scheduled RoRo freight vessel on Lake Victoria, which represents a breakthrough in regional logistics, offering a faster, more cost-efficient, and sustainable alternative to congested road transport while unlocking new trade opportunities for landlocked nations (p.17).

This month, **Olufisayo Olanrewaju** shares his thoughts on Nigeria's money market. Foreign investors in Nigeria's money market have enjoyed high returns through carry trades, but falling yields and potential Naira depreciation pose growing risks to their strategy (p.22).

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

New AIIM's Fund to Address Africa's Energy Transition Finance Deficit



Lisa Pinsley,
Fund Head and Executive Member
AIIM

African Transition Acceleration Fund (ATAF 1), managed by African Infrastructure Investment Managers (AIIM), is the newest pan-African investment vehicle, designed to support Africa's energy transition.

"The fund has an active pipeline across its key sectors but has not yet started investing," Lisa Pinsley, Fund Head and Member of AIIM's Executive Committee, told Africa Global Funds.

The Fund will focus on early-stage and scaling up investments across three core energy transition themes: clean electrons, clean molecules and sustainable transport.

This includes on-grid and off-grid renewables, energy efficiency, transmission, power to x, electric vehicles, biofuels and green ammonia/fertilizer sectors, Pinsley said.

"We will be investing in early-stage developers, as well as companies seeking scale up capital," she commented.

The Fund will invest across Africa, with a focus on companies and platforms in the larger markets.

"We are planning to invest in platforms or companies not individual projects. Our capital will be used to develop pipeline, strengthen management teams, and invest in the projects that the platform

company builds," she said.

"While there is no shortage of capital for mid to late stage investing in the African energy transition space, including from AIIM's other funds and from my alma mater Actis, we believe there is a gap in early stage funding for African energy transition developers and companies," she added.

"This creates a bottleneck for further expansion and financing for the sector and therefore limits growth," Pinsley stressed.

ATAF 1, based on the AIIM team's two decades of history in the sector, takes a commercial approach to scaling energy transition companies, thereby unlocking more capital for the sector.

The ATAF team is prioritizing investments in countries and markets where the government is providing the underlying regulation and the political will to accelerate the energy transition, Pinsley said.

For example, she said, a key trend to follow is the liberalization of the power market to allow for wheeling of power from producer to consumer over the utility's transmission and distribution systems, or via regional power pools.

"There is a misperception in the market that the energy transition is driven by government subsidy; this is not the case," she said.

"Government needs to provide a level playing field for all to participate in an open market, whether that's power, transport, or fuels," she added.

FUNDRAISING

NSIA, SEforALL, ISA, and Africa50 Unveil \$500m DRE Nigeria Fund

The Nigeria Sovereign Investment Authority (NSIA), Sustainable Energy for All (SEforALL), the International Solar Alliance (ISA) and Africa50 have launched a \$500m DRE Nigeria Fund to develop and finance distributed renewable energy (DRE) projects in Nigeria.

Alain Ebobisse, Africa50 CEO, said: "This is a strong partnership with solid partners which can be a game-changer in accelerating investment in distributed renewable energy across Africa. This innovative collaboration aims to unlock the right financing instruments to fund projects at scale and help solve the energy access gap in Africa, bringing power to millions of Africans, driving economic growth for businesses and communities across the continent. We look forward to welcoming additional partners to the platform in the near future."

The aim of the DRE Nigeria Fund is to raise financing to offer tailored financial instruments and attract private sector capital

while addressing critical challenges such as currency volatility, tariff structures, and the limited availability of local currency financing options.

Targeted investments will support mini-grids, solar home systems, commercial and industrial (C&I) power solutions, embedded generation projects, and innovative energy storage technologies.

This will ensure more reliable and cost-effective power access for Nigerian homes and businesses. A key objective of the Nigeria DRE Fund is to catalyze local currency funding from pension funds, insurance companies, and other local institutional investors.

Damilola Ogunbiyi, CEO and SRSF for Sustainable Energy for All, said: "The launch of the DRE Nigeria Fund marks a pivotal moment in our collective efforts to address Africa's energy access challenges. This Fund will attract the long-term patient capital required to scale

projects, especially from institutional investors. With the Fund's targeted focus on scaling up decentralized energy solutions, we are one step closer to achieving universal energy access across Nigeria".

The DRE Nigeria Fund, co-managed by Africa50 and NSIA, would serve as a model for other country-specific funds across the continent that are expected to be launched under the DRE Africa Platform.

Aminu Umar-Sadiq, MD & CEO, NSIA emphasized the fund's strategic importance: "The DRE Africa Platform represents another major step in our commitment to unlocking Africa's renewable energy potential. With the DRE Nigeria Fund, we are creating a scalable model to attract global investments, drive industrial development, and enhance energy access for millions of Nigerians and Africans at large. This initiative underscores our belief that sustainable infrastructure is critical to economic transformation, and we are proud to collaborate

with SEforALL, ISA, and Africa50 to turn this vision into reality."

The DRE Nigeria Fund is expected to benefit from catalytic capital from the International Solar Alliance, through the recently announced Africa Solar Facility.

Ashish Khanna, Director General-Elect of the International Solar Alliance, said: "Mobilizing private investments and promoting catalytic finance through grants and equity is the key to a sustainable, energy-secure future for the Africa region which currently receives only 3% of global solar investments. We'll begin with Nigerian homes and businesses and then take it to all countries of the continent."

The Fund's core value lies in mobilizing institutional capital and fostering partnerships with the Nigerian government and private sector to scale renewable energy investments.

FUNDRAISING

Summit Africa Launches Private Equity Fund II



Antony Phillipson,
High Commissioner to South Africa
Great Britain

Summit Africa, a specialist black-owned and managed impact investment manager and licensed financial services provider, has launched Summit's Private Equity Fund II (SPEF II) with a \$20m (c.R355 million)

anchor investment by British International Investment (BII), the UK's development finance institution and impact investor.

SPEF II intends to raise an additional R400m to R500m from other local and international institutional investors, before commencing with deployment of capital.

SPEF II has a target fund size of R2.5bn.

The Fund's Investment Lead and Partner, Nthabiseng Thema, said: "The Fund is grateful for the support and commitment received from BII. This anchor investment demonstrates the strength of Summit Africa's investment platform, our team, our fully integrated ESG and impact strategy, and our ability to work actively with portfolio companies to meet their financial and social impact objectives. This is also a vote of confidence in South Africa and the Southern Africa region as an investment destination, noting the Presidential Investment drive to mobilise R2trn worth of investments in South Africa over the next five years."

The British High Commissioner to South Africa, Antony Phillipson, said: "I am delighted that BII is making this investment in Summit Africa which will help to drive financial and digital inclusion, diversity, and food security. This is an important example of the growth and investment partnership between South Africa and the UK and our shared aspiration to boost growth through deeper cooperation on

trade, investment and economic reform between our two countries, creating economic opportunities for people and communities that urgently need them."

SPEF II will invest in small-to-mid market companies in financial services and ICT sectors to drive financial and digital inclusion, job creation, transformation, and diversity across South Africa and the Southern African region.

The fund will also target food security as an additional investment sector. A third of South Africa's food resources, which is around 11.1 million tonnes of food, are wasted every year, according to South African Department of Forestry, Fisheries and the Environment, and 68% of the wastage is due to inadequate food processing and packaging, storage and distribution.

It reveals the urgent need to explore more resource-efficient solutions in these areas, to adequately feed South Africa's population, which is expected to grow by another 4 million people by 2030.

As part of its inclusion targets, at least 15% of the fund is allocated to directly or indirectly address the needs of the low-income population which belongs to Living Standards Measure 1 - 6 in South Africa.

Najwah Allie-Edries, Head of the Jobs Fund, a National Treasury Initiative which supported Summit Africa's first private equity fund through the 27four Black Business Growth Fund II, said: "The Jobs Fund is proud to have supported Summit Africa in its mission to raise capital aimed at fostering economic growth and sustainable social impact across South Africa. With an unwavering commitment to transforming the financial landscape, the Jobs Fund recognises the crucial role that diverse investment strategies and inclusive leadership play in addressing the socio-economic challenges faced

by our country.”

SPEF II is eligible to be recognised as a 2X Investment under the 2X Framework, of which BII is a founding member, which advances opportunities for women through quality employment, business leadership, access to finance and products/services that meaningfully support women.

BII's investment in the Fund also reinforces the DFI's commitment to increase investment in Black-owned and led business in Africa, who often face challenges in accessing capital compared to other ethnicities in the region.

Leslie Maasdorp, BII CEO, said: “Working with impact-aligned fund managers like Summit is important to help achieve our goal to deliver development impacts at scale. With its proven track record for the

first fund, we are delighted to anchor Summit's second private equity fund to double down support to SMEs in key sectors that improve the livelihoods of people in South Africa and the Southern African region.”

The new fund aims to extend the significant post-investment value and social impact realised by Summit Africa's first private equity fund since 2019, where it has: extended R678m in much-needed funding to over 6,200 South African Small, Medium, and Micro-sized Enterprises (SMMEs); provided critical healthcare services to over 31,050 patients specifically in peri-urban, township and rural areas, and provided affordable, quality tertiary education and training to approximately 2,000 learners annually, majority of whom are previously disadvantaged individuals.

FUNDRAISING

Kholo Capital Mezzanine Debt Fund I Reaches Final Close

Kholo Capital Mezzanine Debt Fund I has reached final close at R1.4bn in commitments to make long-term mezzanine debt investments in small and medium sized businesses in South Africa, Botswana, Namibia, Lesotho and Swaziland.

The R1.4bn in commitments was secured from leading South African institutional investors.

Zaheer Cassim, Founder and Managing Partner at Kholo Capital, said: “Mezzanine debt funding is non-dilutive by nature and therefore is an attractive funding option for family-owned businesses, BEE

subordinated loan position that sits between senior debt and equity in the capital structure of a business, is attractive because it plugs any equity funding gaps and provides businesses with a tailored and flexible loan solutions in support of their growth requirements.

Kholo Capital's investment criteria include investing in small and medium sized businesses generating minimum R25m EBITDA across various growth sectors of the Southern African economy, thereby providing much needed access to capital within a preferred range of R70m to 200m per investment.

“The Fund provides growth capital, BEE Financing and acquisition funding into sectors of the Southern African economy with high social impact

companies or any business that needs to raise capital and hold onto the equity in the business. And with the banks becoming more risk averse due to regulatory requirements, lending to small and medium sized businesses has reduced, creating a great opportunity for flexible mezzanine debt structures. We are grateful that our investors recognise the opportunity and have shown us tremendous support.”

The funding provided to these businesses will positively impact communities and support economic growth, job creation, alleviation of poverty and advancement of transformation in the Southern African region.

The Fund provides growth capital, BEE Financing and acquisition funding into sectors of the Southern African economy with high social impact including social housing, healthcare, education, renewable energy, food and food security, ICT, financial technology and infrastructure.

The Fund follows the United Nation's 17 Sustainable Development Goals as guiding principles with key focus on those linked to Job Creation (i.e., Decent work and Economic growth, Reduced Inequalities and Gender Equality) and those linked to Sustainable Growth (i.e.; Affordable and Green Energy, Sustainable Cities and Communities and Climate Action).

Kholo Capital believes that mezzanine debt funding, being a

The benefit of mezzanine debt loan funding lies not only in the ability to tailor funding terms like debt servicing requirements (e.g., providing capital repayment moratoriums), and also because it is a loan funding instrument it avoids the significant equity dilution which is sometimes the sad reality when businesses try to fund their growth ambitions by raising pure equity funding.

Mokgome Mogoba, Founder and Managing Partner at Kholo Capital, said: “We are very bullish about South Africa, the South African economy and the future prospects of this beautiful country and the surrounding region. We are heartened and motivated by the optimism and the resilience of its people. We aim to create in excess of 500 new jobs at a rate of more than 40 nett jobs created per investment and we have committed to investing more than 50% of the Fund in black empowered companies.”

“We are excited at the opportunity to bring creative funding solutions to the Southern African market and to form long term sustainable partnerships with businesses over a 4 to 7-year investment horizon, realising not only strong commercial returns for our investors, but also providing transformational funding that has a positive ESG impact on businesses and surrounding communities as we also look to boost our rural and township economies.”

LAUNCHES

Gemcorp Capital Launches Kassai

Gemcorp Capital has launched Kassai, a new domestic asset manager in Angola and has announced the appointment of Walter da Cruz Pacheco as its Chief Executive Officer (CEO).

Atanas Bostandjiev, CEO of Gemcorp Group, said: "Kassai will complement and strengthen the longstanding work of Gemcorp Angola, which has already made a significant contribution to the country's social and economic development."

"In Walter Pacheco we have a CEO, who brings vast experience and local knowledge. We are confident that Kassai will become a key player in Angola's asset management sector, driving the sustainable development of the national economy"

Kassai was created by Gemcorp to mobilize national and international resources to finance the exciting growth of the Angolan economy.

Kassai intends to invest in assets, projects, and strategic opportunities in Angola, improving capital markets and meeting the need for capital to support its growth.

After obtaining registration with the Capital Market Commission (CMC), Kassai is now positioned to play a fundamental role in boosting the Angolan financial sector.

To support this new ambition, Kassai has appointed Walter Pacheco, a professional with extensive experience in the national financial sector.

Walter previously held leadership positions at Bodiva Angola, where they were a key figure in the development of the Angolan capital market.

The appointment of Walter Pacheco and the launch of Kassai mark an important step in the consolidation of Gemcorp Group's strategy in Angola, bringing experienced leadership and innovative vision capable of solidifying this new company as a relevant operator in the country's capital markets.

"I am very excited about the prospect of leading Kassai. This new venture represents a significant milestone for Gemcorp in Angola and a positive development for future investments in our country," said Walter Pacheco.

DEALS

EAAIF Invests \$45m in CrossBoundary Energy



Esther Chan,
Director
Ninety One

The Emerging Africa & Asia Infrastructure Fund (EAAIF), a Private Infrastructure Development Group (PIDG) company managed by Ninety One, has announced a \$45m funding contribution to CrossBoundary Energy Holdings.

Esther Chan, Director, Ninety One, the fund manager of EAAIF, said: "Our funding contribution to CrossBoundary Energy Holdings marks a significant milestone as EAAIF's first commercial and industrial energy investment in Africa, complementing the Fund's investments in numerous utility-sized renewable energy projects. In our partnership with CrossBoundary Energy, our shared objective is driving Africa's clean energy transition and economic transformation by enabling job-creating industries to thrive. Our investment is a testament to EAAIF's ability to identify and finance infrastructure projects that can boost productivity and foster long-term development in strategic sectors with the power to reshape entire economies."

EAAIF's investment will drive the expansion of pioneering solar, wind, hybrid energy, and battery energy storage systems (BESS) in

countries with favourable conditions for renewable energy where access to reliable and affordable power is critical to business growth.

The investment is part of a broader \$300m senior debt facility led and arranged by the Standard Bank of South Africa, which recently underwrote \$141.5m for the first tranche of the facility.

CrossBoundary Energy (CBE) is a pioneer in financing distributed solar for businesses in Africa - demonstrating the tremendous potential of the growing asset class, with diversified operations in nine African countries, including Nigeria, Somalia, Sierra Leone, Madagascar, and more.

The company's expansive footprint across several markets mitigates exposure to macro risks and seeks to maximise energy security across the region.

The company is a leading provider of clean, reliable, low-cost energy solutions to C&I clients with a portfolio of 25 operational projects worth ~\$100m, comprising ~60 MW of generation assets and 22MWh of BESS, and an additional portfolio of projects under construction, signed or awarded of ~\$560m, including 440 MW generation assets and over 570MWh BESS.

EAAIF's commitment will help CrossBoundary Energy expand its portfolio in key sectors such as manufacturing and

telecommunications, reducing emissions at scale within energy intensive sectors.

By providing crucial financing, the facility accelerates CBE's growth plan to supply renewable energy technologies such as photovoltaic solar, wind, BESS, hydropower, and complementary thermal to businesses in regions where electricity supply is unreliable and power outages are commonplace.

The imperative for such solutions is pressing in sub-Saharan Africa (SSA), where many large companies, particularly industrials, record high electricity costs and insufficient grid reliability as an impediment to operational efficiency and business growth.

In Nigeria alone, the economy loses as much as \$26bn annually due to electricity shortages and power cuts.

In addition to strengthening Africa's energy infrastructure, EAAIF's funding will support decarbonisation efforts by expanding

clean energy-as-a-service, enhancing the sustainability and competitiveness of African businesses.

The contribution forms part of PIDG's wider mandate to accelerate the flows of public and private finance deployed for climate and nature with EAAIF deploying over \$1bn in debt capital to transformative infrastructure in Asia and Africa by 2028.

Pieter Joubert, President and Chief Investment Officer of CrossBoundary Energy, said: "The success of our current portfolio and future pipeline proves that the demand for energy-as-a-service—particularly in mining, telecommunications, and industrial sectors—is higher than ever. The contribution from EAAIF will significantly support our business by providing finance now that will assist with further scaling of our portfolio. We're grateful to funders like EAAIF who share our commitment to furthering clean growth in Africa."

DEALS

Alterra Capital Partners Invests in ARP Africa

Alterra Capital Partners has announced a strategic investment in ARP Africa Travel Group (ARP Africa), partnering with the founding family to accelerate expansion across East Africa and beyond.

Financial details of the transaction were not disclosed.

Genevieve Sangudi, Partner at Alterra, said: "ARP Africa is an excellent business with a strong market position, high performing management team and exceptional growth prospects. We are excited to partner with the founding family, represented by Taqi and Zaheer Moledina, to support ARP's growth, create high-quality jobs, and contribute to conservation in East Africa."

marking a 30% increase from 2022 and surpassing pre-pandemic figures. This resurgence highlights the region's appeal as a tourist destination and the sector's resilience.

ARP Africa is well-positioned to capitalize on rising demand for high-quality, experience-driven travel.

With a predominantly East African workforce, ARP Africa is deeply committed to creating more high-quality jobs and promoting sustainable tourism in the region.

The company's growth strategy includes expansion into new source markets and destination markets and leveraging technology to drive

"ARP Africa works with over 600 international travel agents in 50 countries across five continents, arranging over 100,000 travel experiences annually for global visitors to East Africa"

ARP Africa, which includes Pollman's Tours and Safaris Limited (Kenya), Ranger Safaris Limited (Tanzania), and ARP Africa Travel (United Kingdom), is a leading provider of destination management services in East Africa.

Established in Tanzania in 1978, ARP Africa has built a reputation for exceptional service delivery and deep local expertise across key tourism markets.

ARP Africa works with over 600 international travel agents in 50 countries across five continents, arranging over 100,000 travel experiences annually for global visitors to East Africa.

Tourism plays a crucial role in East Africa's economy, significantly contributing to both GDP and employment.

The sector accounted for approximately 10% of East African GDP in 2023 and directly employs over 5 million people in Kenya, Tanzania, Rwanda and Uganda.

Following the impact of the COVID-19 pandemic, the region has recovered strongly, with tourism receipts in 2023 of c. \$8 billion,

efficiency and enhance customer experiences.

As a growth-focused investor, Alterra brings deep expertise in travel, retail and technology across the continent.

Taqi Moledina, CEO of ARP Africa, expressed enthusiasm for the partnership: "We are excited to join forces with Alterra as we embark on the next phase of ARP's growth. Alterra's proven track record in scaling businesses across Africa makes them the ideal partner. We look forward to unlocking new opportunities and driving the future of African tourism together."

Closing of the deal remains subject to the satisfaction of standard regulatory conditions.

Africa Merchant Capital (AMC) served as the financial advisor to ARP Africa Travel Group and the founding family, while White & Case LLP and Eversheds Sutherland acted as legal advisors to the buyer and seller, respectively. McKinsey & Company provided commercial advisory services, and EY advised on financial and tax matters.

DEALS

Futuregrowth Invests in CubeSpace



Amrish Narrandes,
Head of Private Equity & Venture Capital
Futuregrowth

Futuregrowth Asset Management has led a \$3m funding round in CubeSpace, a South African provider of satellite Attitude Determination and Control Systems (ADCS).

ADCS technology plays a crucial role in the space value chain by helping satellites maintain precise orientation in orbit, making them indispensable for a wide range of applications, from Earth observation for climate monitoring to scientific missions, radiation detection, optical images, communication and connectivity.

The capital deployment, made via Futuregrowth's High Growth Development Equity Fund (HGDEF), will support CubeSpace's growth strategy of extending its flight-proven solutions beyond nanosatellites to include spacecraft in the 50 - 1000 kg class.

"With the space economy projected to exceed \$1trn by 2040 (driven by innovations in satellite technology, reusable launch vehicles and increased private sector participation), the outlook for highly innovative companies like CubeSpace is exceptionally promising," said Brian Masondo, Principal: Private Equity & Venture Capital at Futuregrowth.

In the rapidly evolving space industry, which is characterised by heightened competition and lead times, CubeSpace holds a

competitive edge. Its affordable, reliable and user-friendly solutions speed up time-to-orbit and streamline production, which are essential for satellite programmes looking for high-quality and rapid deployment.

Amrish Narrandes, Head of Private Equity & Venture Capital at Futuregrowth, said: "Our investment in CubeSpace aligns seamlessly with our broader strategic objectives," he said. "Their strong leadership team, driven by a passion for innovation in satellite technology, complements Futuregrowth's focus on supporting intellectual property-rich businesses within expanding sectors like the SmallSat market."

Mike-Alec Kearney, CEO & Co-Founder of CubeSpace, said: "This investment from Futuregrowth, with its ambitions that are aligned with ours, will provide us with all the firepower we need to grow aggressively and provide our customers with unparalleled solutions. We aim to become the gold standard for satellite control systems, enabling high reliability satellites to be built on shorter lead times, and at lower cost, ushering in a new era in the space industry."

This investment reflects Futuregrowth's commitment to supporting innovative South African businesses like CubeSpace that are making a positive societal impact through job creation, contributing to global sustainability goals and enhancing the country's competitiveness internationally.

EXITS

InfraCo Africa to Exit Golomoti Solar



Ravi Dhanani,
PIDG Senior Asset Manager
InfraCo

InfraCo Africa has agreed to sell its 25% stake in Golomoti JCM Solar Corporation to Old Mutual Infrastructure Investment Trust Fund (Malawi), which sits within Old Mutual Investment Group's Alternative Investments capability.

Old Mutual Malawi's involvement will be beneficial in reducing

currency exchange risk on the project whilst attracting future investment into the country's renewable energy sector.

Ravi Dhanani, PIDG Senior Asset Manager for InfraCo, said, "We are excited to be engaging with Old Mutual Malawi, which is committed to Responsible Investing, and to supporting Malawi's renewable energy sector as part of its diversified infrastructure portfolio."

"This transaction epitomises PIDG's project development offering - InfraCo - and aligns well with our Group-wide strategy to unlock

new sources of funding for sustainable infrastructure. We use our public funding to de-risk infrastructure projects, working with private sector partners to develop them to the highest standards of health, safety, environmental and social governance, and business integrity; just as we have done here in Malawi together with JCM Power. We then seek to sell our stake in these profitable assets to reputable investors such as Old Mutual Malawi - enabling us to recycle our funding into the development of new, climate-resilient infrastructure across Africa."

Mphatso Kasalika, Old Mutual Investment Group's Acting Managing Director, said the completion of the transaction marks an exciting milestone within the Group's strategy, which includes investing in renewable energy, as part of its responsible investment philosophy.

He added that "It is a demonstration of a mutually beneficial strategy, where investors can expect solid returns from non-traditional investments, with significant economic and social impact, as the country seeks to expand and diversify energy generation."

Kasalika added that InfraCo's involvement in de-risking the initial phases of the project to the point of viability, paved the way for Old Mutual's Infrastructure Trust Fund to invest, allowing for local participation in sustainable projects in partnership with experienced players, such as JCM Power.

Commissioned in 2022, the 20MWac solar plant at Golomoti in Dedza District, approximately 100km south-east of the capital Lilongwe, has a 5MW Battery Energy Storage System (BESS).

When built, InfraCo Africa is supported by Golomoti's BESS was the

first grid-connected, utility-scale hybrid solar BESS in sub-Saharan Africa.

Made possible by support from Innovate UK's Energy Catalyst and RINA, the BESS serves to stabilise the plant's delivery of renewable energy to Malawi's national grid.

JCM Power and InfraCo, together with additional grant funding from PIDG, have worked closely with the neighbouring Pitala community, to provide reliable and safe drinking water access to over 2,000 people through the installation of nine boreholes.

Additional projects under JCM's Corporate Social Responsibility and Livelihood Restoration programs include training and provision of inputs for sustainable agricultural initiatives, the construction of a community grain storage warehouse and investments in both education and local health care facilities.

JCM Power are also demonstrating the value of agrivoltaics through growing chillies, bee-keeping and grazing sheep under the solar panels.

The signing aligns with Malawi's strategic vision as set out in Malawi 2063 - Transforming our nation. The vision emphasises the importance of developing bankable infrastructure projects - specifically around renewable Independent Power Producers (IPPs) - which can attract private investment and meet the growing energy needs of customers in Malawi, and neighbouring countries.

The deal will be finalised in August, and JCM Power will continue to operate the Golomoti Solar plant with Old Mutual Malawi appointing a director to the company board.

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EXITS

Apis Exits Baobab

Apis Growth Fund I, a private equity fund managed by UK-based asset manager Apis Partners Group (UK), has signed binding agreements to sell its full stake in Baobab, an African financial services provider specialising in supporting small and medium-sized enterprises (SMEs).

The Fund's position in the company is being acquired by Beltone Capital, a fully owned subsidiary of Beltone Holding, a financial services provider listed on the Egyptian Stock Exchange.

Following the acquisition of Apis' stake, that of its co-investor and other selling shareholders, Beltone will take a majority share in Baobab.

This strategic exit marks the ninth, and penultimate, full exit from the Fund.

Throughout the Fund's investment period, Apis Partners played a pivotal role in multiple value creation initiatives at Baobab, which helped increase the company's growth prospects.

These included the appointment of an experienced CEO, CFO and CTO, to position Baobab for long-term growth; comprehensive upgrades to technology infrastructure enabling enhanced scalability; and expanding Baobab's suite of digital products.

Apis Partners also supported multiple structural reorganisations and streamlining of Baobab's geographical footprint, to ensure the company was operating at maximum efficiency.

These efforts have enhanced Baobab's market position, enabling it to offer essential financial services to millions of underserved individuals and SMEs in seven African markets.

Matteo Stefanel, Co-Founder and Managing Partner at Apis Partners, said: "Since the inception of the firm, Apis' funds have invested in businesses that prioritise financial inclusion. We are proud of the role our team has played in helping Baobab leverage technology to promote financial inclusion across Africa, empowering

individuals and SMEs who may not have had access to traditional banking systems previously. We are confident that the impact created in these communities during the Fund's investment will continue to thrive under Beltone's stewardship."

Upon completion of the transaction, Beltone plans to expand its presence in these markets, continuing to drive innovation and deliver long-term value for Baobab's customers and stakeholders.

Dalia Khorshid, Group CEO and Managing Director of Beltone Holding, said: "This strategic acquisition marks a significant milestone in our data-driven regional expansion into high-growth African and emerging markets, reinforcing our commitment to financial inclusion and impactful product offerings. As one of the fastest-growing financial institutions delivering exponential growth in 2024, we are further expanding our portfolio across diverse platform offerings in Africa. Baobab's strong market presence enhances our ability to provide innovative financial solutions, fostering its growth, enhancing its digital capabilities, and expanding its client base with scalable, technology-driven services that drive economic empowerment."

Udayan Goyal, Co-Founder and Managing Partner at Apis Partners, added: "Baobab has been a leader in providing vital financial services to the underserved SME market, which has often faced significant challenges accessing the financing needed to grow. Apis has supported Baobab in successfully bridging this gap, enabling the SMEs to develop, create jobs and support the local economy. We look forward to continuing to follow the Baobab story as it moves forward under the expert guidance of Beltone."

The deal was advised by Enexus Finance and the transaction is subject to regulatory approvals.

Founded in 2014, Apis Partners specialises in growth equity investments at the intersection of financial services and technology.

INVESTORS

EIB Backs Africa Finance Corporation \$750m Climate Resilient Infrastructure Fund

The European Investment Bank (EIB) has committed to join Africa Finance Corporation (AFC) in financing a \$750m Infrastructure Climate Resilient Fund (ICRF).

The initiative will accelerate climate adaptation and sustainable infrastructure across Africa.

As part of this commitment, the EIB today confirmed it will invest \$52.48m in the Fund, which is managed by AFC Capital Partners (ACP), the asset management arm of AFC. ACP has already secured a \$253m commitment from the Green Climate Fund (GCF), marking GCF's largest-ever equity investment in Africa.

In addition, the Nigeria Sovereign Investment Authority (NSIA) and

two private African pension funds have also committed to the Fund, demonstrating robust institutional backing on the continent and internationally.

The Infrastructure Climate Resilient Fund aims to accelerate climate adaptation in Africa by embedding resilience measures at every stage of infrastructure development—from design and construction to operation.

Using blended finance to de-risk private investment, the Fund also integrates innovative tools such as climate risk parametric insurance to enhance protection against climate-related risks and losses.

In addition, the Fund will provide technical assistance to enhance

the capacity of countries seeking climate risk assessment and adaptation, aligning with the European Union's Global Gateway initiative and the UN Sustainable Development Goals.

"The EIB is committed to supporting private sector investment in climate-resilient infrastructure, especially in regions most vulnerable to climate change," EIB Vice-President Ambroise Fayolle, said.

"This partnership with the Africa Finance Corporation and the launch of ACP's Infrastructure Climate Resilient Fund are a significant step towards accelerating Africa's green and digital transition and ensuring a sustainable future for all. The EIB's investment is not just about the initial capital injection; it is also intended to have a multiplier effect

transport and logistics, clean energy, digital infrastructure, and industrial development, ensuring sustainable growth.

ACP's investment strategy evaluates climate risk across both physical and transition dimensions, including emissions and climate governance.

The Fund is committed to ensuring that infrastructure assets are designed, built, and operated to withstand and adapt to evolving climate conditions.

To achieve this, ACP will conduct rigorous climate risk screenings and assessments for every investment, establishing a new benchmark for selecting and implementing the most effective adaptation solutions.

"The EIB's investment is not just about the initial capital injection; it is also intended to have a multiplier effect by attracting more investors, reducing risk, showcasing successful projects, and promoting best practices in climate finance"

EIB Vice-President Ambroise Fayolle

by attracting more investors, reducing risk, showcasing successful projects, and promoting best practices in climate finance."

ACP's fund aims to demonstrate that Africa can pursue a climate-resilient and sustainable development path by addressing market failures, mitigating environmental risks, strengthening logistics, trade, and industrialization, and accelerating the continent's digital and energy transition.

"This Fund is crucial for bridging the funding gap for climate adaptation in Africa," Samaila Zubairu, AFC's President & CEO, said.

"By focusing on climate-resilient infrastructure, we are not only securing our economic future but also creating opportunities for sustainable growth, and supporting job creation across the continent. We are glad to partner with the EIB and other investors who are committed to increasing the impact of climate finance."

The ICRF focuses on Africa, the world's most climate-vulnerable continent, by investing in infrastructure that can withstand the impacts of climate change while reducing carbon emissions.

The Fund prioritizes resilient, low-carbon solutions across

The Fund leverages a powerful partnership between three major institutions—EIB, AFC, and GCF—uniting their expertise, capital, and commitment to climate resilience.

Aligned with the EIB's Climate Bank Roadmap, ACP will draw on the proven track records and deep technical expertise of both EIB and AFC in infrastructure investment, creating a compelling platform to attract additional investors.

Through this strategic collaboration, the \$750m fund is poised to unlock up to \$3.7bn in financing, accelerating the deployment of climate-resilient infrastructure across Africa.

The GCF will play a critical role by providing technical assistance for due diligence and climate resilience monitoring while also covering the first-loss tranches on new investments, effectively de-risking projects and attracting private capital.

Once operational, the Fund aims to invest in a diversified portfolio of 10 to 12 projects across Africa.

It will also assist countries and entities in capacity building and deployment of climate risk assessment and adaptation solutions.

INVESTORS

Finnfund Makes Follow-On Investment in Fibertime Group

Finnfund has made a €2m follow-on investment in Fibertime Group enabling the company to expand its provision of fiber internet access to under privileged communities in South Africa.

"Finnfund is very pleased with Fibertime's rapid growth and expansion enabling more townships in South Africa to get access to the internet. As a Finnish development financier and technology-driven impact investor, we are of course proud that Nokia's technology plays such a vital role in making this happen," said Tuomas Vaulanen, Investment Associate at Finnfund.

The new investment supports the company in its goal to connect up to 1.8 million homes to the internet. At the heart of the innovation

is both the fiber internet technology provided by Nokia and an affordable pay-as-you-go pricing model by Fibertime Group.

In South Africa, approximately 80% of homes remain unserved by fast and affordable broadband internet, as fiber internet access is expensive and limited to affluent suburbs, perpetuating the digital divide.

Furthermore, micropayments are also expensive due to high bank transaction fees leading to a cash-based mindset.

Together Finnfund, Nokia and Fibertime Group are advancing digital inclusion in South African townships.

"Fiber, the fastest and greenest broadband technology, is

extensively used to connect everything to high-speed internet services. Our collaboration with Fibertime underlines our common vision to digitally enable people in highly-dense populated areas in South Africa with secure, affordable, and abundant data while delivering a long term sustainable business. Nokia is committed to driving the country's digital goals by bridging the connectivity gap in numerous underserved regions throughout South Africa and is looking forward to supporting this disruptive model beyond South Africa," commented Toni Pellegrino, South Africa Managing Director, Head of Network Infrastructure for Southern and Eastern Africa at Nokia.

Since Finnfund's initial investment of €2m to Fibertime Group in 2023, approximately 65,000 households in South African townships have been connected to the internet.

The new €2m follow-on investment enables to expand to new townships and connect more homes.

Fibertime Group, with its wholly owned subsidiaries fibertime and VulaCoin, provides unlimited data on a time-based pay-as-you-go pricing model as well as digital wallets to initiate micropayments. Nokia provides both fiber access nodes for the fiber exchange and fiber modems to create WiFi networks.

The strong development impact of tackling the digital usage gap is clear: increasing internet access helps create jobs and is crucial to all personal human development including education, communication, access to information, employment opportunities, and financial inclusion.

"Finnfund doubling down is a vote of confidence in Fibertime and South Africa. Our country is attracting foreign direct investment, and those funds are going towards building physical infrastructure in townships so that all South Africans can have access to affordable uncapped fiber internet," said Alan Knott-Craig, Founder of fibertime.

INVESTORS

EIB Backs Helios Fund V



Ambroise Fayolle,
Vice-President
EIB

The European Investment Bank (EIB Global) has announced a \$75m investment in Helios Investors V.

Helios Fund V will focus on companies in sectors like digital infrastructure, financial services and technology, and tech-enabled business services, in alignment with the EU-Africa Global Gateway Investment Package priorities.

The fund will support the growth of companies that help provide digital infrastructure like data centres, fibre-optic networks and telecom towers; tech-enabled business services like cloud services, health tech and logistics tech; and financial services and technology like bank tech payments or financial management software: It will also support companies that help provide healthcare or education and training.

The investment by EIB Global in Helios Fund V is part of the EIB's contribution to the Team Europe approach.

The Bank is working alongside other European development finance institutions (DFIs) that are expected to invest, enabling the fund to support the growth plans of emerging African businesses.

EIB Vice-President Ambroise Fayolle, said: "We are happy to be partnering with Helios - an important pan-African equity firm that has been operating in Africa for over two decades, with good access to investment opportunities, and a strong network and local footprint. We look forward to supporting them as they invest in market-leading, value-creating and socially responsible enterprises for the mutual

benefit of Africa and the European Union. This is fully aligned with the Global Gateway priorities being implemented by Team Europe."

Helios has committed to the objective of devoting at least 30% of the fund's portfolio to companies that meet the EIB's gender equality criteria. It joined the 2X Global network in January 2024. Support for businesses under this theme can include gender-smart initiatives, coaching and mentoring, capacity building and encouraging women into senior positions.

David Masondo, Deputy Minister of Finance in South Africa and Chair of the Public Investment Commission, said: "Private capital fuels growth, and EIB Global's investment in Helios V showcases innovative financing to unlock Africa's potential. South Africa welcomes this funding, which strengthens business collaboration and mobilises capital for high-impact sectors. It aligns with our commitment to enhancing capital markets, digital technologies and financial infrastructure for inclusive growth. Such partnerships drive investment, industrial growth, jobs and resilience. I hope the fund leverages this investment to accelerate development and ensure lasting prosperity."

Private capital is a powerful driver of economic development in Africa. Through investment in local enterprises, private equity firms like Helios play a catalytic role, bringing external funding as well as knowledge and technical expertise to the companies they invest in.

Last year EIB Global invested €232m in funds operating across Africa - representing 49% of total fund investments by the Bank, showing the increased focus on spurring private capital flows on the continent.

PRIVATE CAPITAL SLOWS IN AFRICA, But Exits and Private Credit Show Strength

Pivate capital investment activity in Africa reached \$3.7bn in 2024, a 27% decline year over year, according to GPCA's 2025 Industry Data & Analysis.

Despite the slower pace of dealmaking overall, private credit investment reached \$1bn in 2024, representing 28% of total deal value. Telecommunications accounted for 40% private credit activity in 2024, with established players such as Gramercy, Ninety One and Vantage Capital providing financing for mobile network operators and tower infrastructure companies including Africell (\$300m) and Camusat Holding (\$88m).

Private capital investors completed \$4.5bn in exits in Africa in 2024, with strategic sales and secondaries providing opportunities for liquidity.

Notable exits included Actis' sale of Octotel to a consortium led by African Infrastructure Investment Managers (AIIM), Apis and IFC's sale of Adumo to Lesaka Technologies for \$96m and the \$130m IPO of GMGP-CAS on the Casablanca Stock Exchange, facilitating exits for AfricInvest, DPI and Fipar-Holding.

Africa-focused GPs raised \$2.4bn in 2024 across 47 funds. Experienced managers accounted for 57% of capital raised – the highest proportion since 2020. Notable fund closes included AIIM-managed African Infrastructure Investment Fund 4 (\$748m) and Ninety-One Africa Credit Opportunities Fund 3 (\$260m).

Africa Global Funds caught up with Jeff Schlapinski, Global Private Capital Association's Managing Director of Research, to discuss latest findings.



Jeff Schlapinski,
Managing Director of Research
Global Private Capital Association

AFRICA GLOBAL FUNDS (AGF): WHAT SPECIFIC FACTORS CONTRIBUTED TO THE 27% YEAR-OVER-YEAR DECLINE IN PRIVATE CAPITAL INVESTMENT IN AFRICA IN 2024?

JEFF SCHLAPINSKI (JP): Private capital deal value declined across almost all asset classes in 2024. However, the largest movement was in the venture capital (VC) space, with capital invested declining 40% year-over-year. The five largest VC rounds in 2024 (Moniepoint, Moove, Nala, FlapKap and YellowCard) representing 45% of capital invested in the asset class.

AGF: WHAT ARE THE KEY DRIVERS BEHIND THE INCREASE IN EXITS IN AFRICA (\$4.5BN IN 2024), PARTICULARLY STRATEGIC SALES AND SECONDARIES? HOW DO THESE EXITS REFLECT THE MATURITY OF AFRICA'S PRIVATE EQUITY MARKET, AND WHAT DOES THIS MEAN FOR FUTURE INVESTMENTS?

JS: Private capital investors completed \$4.5bn in exits in Africa in 2024, with a few outsized strategic sales and secondaries driving overall deal value. Hong Kong-listed MMG (HK.1208) finalized the acquisition of the private capital-backed Khomacau Copper Mine at a \$1.7bn valuation, and Assala Energy was sold to the Gabonese national oil

company for \$730m, which facilitated exits for Carlyle Partners and Alterra Capital Partners.

Limited avenues for liquidity continue to be a challenge for investors in the region and beyond – investors globally are experiencing this challenge. African managers are exploring GP-led secondaries as an alternative route to return capital to investors while continuing to scale promising portfolio companies. A notable example from 2024 was Affirma Capital's \$145m single-asset continuation fund for Copperbelt Energy. Harith Infraco also acquired Pan African Infrastructure Development Fund's portfolio of assets for a ~\$360m consideration.

Several LP-led secondaries also took place in 2024, including Sango Capital's acquisition of a majority of LP interests in Synergy Private Equity Fund and Blue Earth Capital's acquisition of part of BII's commitments to Adenia Capital IV and Novastar Ventures Africa Fund II, further highlighting the development of the secondaries market in Africa.

AGF: WHAT TYPES OF SECTORS OR REGIONS IN AFRICA ARE DRAWING THE MOST INTEREST FROM GENERAL PARTNERS (GPs), PARTICULARLY EXPERIENCED MANAGERS?

JS: Financial services accounted for 28% of capital invested in Africa

in 2024. Digital banking and lending platforms accounted for some of the largest disclosed deals on the continent, with Tymbank (\$250m), MNT-Halan (\$157m), Moniepoint (\$110m) and Moove (\$100m) closing significant rounds with participation from established investors such as Development Partners International (DPI), Verod Capital and Africinvest. These rounds also attracted significant global interest, with players such as Nubank, Tencent, Lunate, Google, Uber and Mubadala Investment Company making new commitments to Africa-based companies.

Investments in telecommunications and digital infrastructure also gained ground, with deal value increasing 105% to \$430m. Infrastructure debt financings represented some of the largest disclosed deals on the continent, with established players such as Gramercy, Ninety One and Vantage Capital providing financing for mobile network operators and tower infrastructure companies including Africell (\$300m) and Camusat Holding (\$88m).

AGF: HOW DO YOU SEE THE PRIVATE CAPITAL INVESTMENT ENVIRONMENT IN AFRICA EVOLVING OVER THE NEXT FEW YEARS? ARE THERE ANY PARTICULAR SECTORS OR REGIONS POISED FOR GROWTH?

JS: Despite a period of economic turbulence in Africa's major markets, key structural drivers including population growth, increased urbanization and digital penetration are shaping the opportunity set. Governments, multilateral institutions and large-scale multinationals remain committed to addressing challenges in the market and supporting private capital. 30 African governments committed to providing 300 million people with electricity by 2030, with the AfDB and the World Bank committing over \$68bn as catalytic capital to attract private investments. Corporate investors, including Meta, Microsoft and Google, are investing heavily in cables and data centers to capture surging demand for reliable high-speed internet

“Despite a period of economic turbulence in Africa’s major markets, key structural drivers including population growth, increased urbanization and digital penetration are shaping the opportunity set

Jeff Schlapinski

Fund managers invested \$393m in renewable energy across utility-scale and distributed generation solutions. Africa-focused GPs such as Inspired Evolution, Camco Clean Energy and E3 Capital secured commitments for renewable energy-dedicated strategies.

AGF: GIVEN THE HIGH PROPORTION OF CAPITAL RAISED BY EXPERIENCED MANAGERS (57%), WHAT FACTORS ARE DRIVING THEIR DOMINANCE IN FUNDRAISING, AND HOW ARE EMERGING MANAGERS RESPONDING TO THIS TREND?

JS: In GPCA's conversations with LPs, many mention their efforts to consolidate their GP relationships and concentrating their allocations to managers with demonstrated track records. Notable fund closes include a \$748m final close for African Infrastructure Investment Fund 4, and a \$260m first close for Ninety One Africa Credit Opportunities Fund 3. Industry consolidation is a global phenomenon that is also manifesting in African markets: Ninety One announced that Sanlam was set to acquire a stake in the firm, through which Ninety One will manage \$22bn of Sanlam's assets, which is illustrative of some of the strategic acquisitions and partnerships we increasingly see across all the geographies covered by GPCA.

access. Given the scale of opportunity in these spaces, the private sector will have a significant role to play.

AGF: WHAT ARE THE MAIN CHALLENGES FOR PRIVATE CAPITAL INVESTORS IN AFRICA, AND HOW CAN THEY BE ADDRESSED TO UNLOCK FURTHER OPPORTUNITIES?

JS: Macroeconomic challenges in key markets, including high inflation, currency depreciation and significant amounts public debt, remain a concern for investors in the region. In addition, international sources of capital face their own challenges and uncertainties in their home markets and are still dealing with the fallout of inflation and rising interest rates over the last few years. GPs are exploring potential partnerships with African pension funds, who can evaluate returns in local currency and understand local market dynamics. Local institutions are growing as an investor base for African fund managers, with investors such as Nigerian Sovereign Investment Authority, Nairobi Bottlers Pension Fund and Mauritius Investment Corporation making commitments to Africa-dedicated funds in recent years.

UNLOCKING TRADE AND GROWTH: HOW A SINGLE VESSEL IS CHANGING EAST AFRICA'S ECONOMY



By Gavin Serkin, Founder & Managing Editor, Frontier Intelligence

East Africa's economic potential has long been stifled by an overreliance on road transport, where congested highways, unpredictable border delays and high fuel costs have slowed trade and driven up costs. Now, a historic breakthrough could redefine regional logistics: the launch

of M.V. Mpungu, the first scheduled roll-on/roll-off (RoRo) freight vessel traversing Lake Victoria. Beyond its function as a vessel, it represents a new model for modern, sustainable logistics in Africa.

Lake Victoria, Africa's largest freshwater resource, remains an underutilized commercial transport corridor. The launch of M.V. Mpungu, signals a major shift. Financed by Private Infrastructure Development Group (PIDG) company, InfraCo, and South African logistics company, Grindrod Logistics Africa, the vessel is owned by East Africa Marine Transport (EAMT) and operated by Grindrod.

Equipped to transport 21 fully loaded freight vehicles per crossing between Port Bell in Uganda and Mwanza in Tanzania, the vessel dramatically cuts travel time from up to four days via road to just 18 hours.

The potential economic benefits are significant. The African Continental Free Trade Area (AfCFTA) aims to boost intra-African trade by lowering barriers and improving infrastructure, but logistics remains the weak link. For landlocked countries like Uganda, a functional and efficient maritime transport network could unlock new market access, reduce costs, and increase competitiveness. The M.V. Mpungu is an initial critical piece of this puzzle.

FROM GRIDLOCK TO GROWTH

Road transport in East Africa is not just slow—it's costly. High fuel prices, border fees, and vehicle maintenance expenses drive up the cost of moving goods, often making locally produced products uncompetitive in regional markets. Additionally, road congestion leads to losses due to spoilage, theft and driver fatigue, all of which erode margins for businesses.

By providing a direct and fuel-efficient alternative, M.V. Mpungu significantly reduces these costs. With a single crossing capable of carrying up to 1,000 tonnes of cargo, the vessel should ease road congestion and lower transport expenses for traders, manufacturers, and agricultural producers. This is expected to particularly benefit perishable goods, allowing for fresher produce to reach markets more quickly, boosting incomes for farmers and increasing food security.

Beyond its economic benefits, the project also tackles a pressing environmental challenge: decarbonisation. Transport is the largest contributor to carbon emissions worldwide, and in Africa, road freight is particularly polluting due to aging vehicle fleets, lower fuel efficiency, and the widespread use of high-sulphur diesel—sometimes exceeding 10,000 parts per million (ppm), compared to the 10–15 ppm standard in Europe and North America.

African trucks often consume significantly more fuel per tonne-kilometre than their counterparts in developed markets, with studies suggesting fuel inefficiencies up to three times higher. This exacerbates emissions, raises costs, and underscores the urgency of transitioning to cleaner transport solutions.

BLUE HIGHWAY

The M.V. Mpungu's journey from concept to reality was made possible by strategic investment partnerships. PIDG, through InfraCo Africa, played a key role in financing the project alongside Grindrod. Grant funding for early market studies was provided by the European Union's Africa Infrastructure Trust Fund. The vessel was constructed at a purpose-built shipyard in Entebbe, Uganda, by SECO Marine Uganda, with support from Danish company, OSK Design.

The collaboration highlights the critical role of patient capital and cooperation between development finance institutions, private investors, regional and international experts, and local stakeholders in delivering high-impact infrastructure projects in Africa.

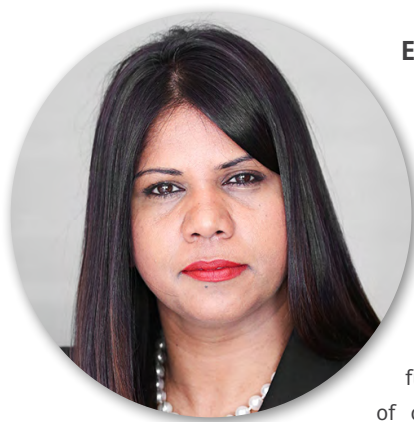
While M.V. Mpungu is a significant first step, its impact will be limited unless followed by further expansion. EAMT has already announced plans to increase the vessel's frequency and explore additional routes, including potential connections to Kenya. A long-term vision should include scaling up fleet capacity, investing in port infrastructure, and exploring alternative fuels to further reduce environmental impact.

Estimates suggest that full implementation of AfCFTA will require at least 100 additional vessels to meet trade demand, making it essential for governments and investors to capitalise on this momentum and accelerate maritime infrastructure development. The Heads of State of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) have recognised the strategic importance of integrating water transport into the region's logistics network. M.V. Mpungu's maiden voyage represents an important catalyst. With effective implementation, this initiative could redefine regional trade by enhancing efficiency, sustainability, and economic growth.

For African nations striving to break free from the logistical constraints that have long hindered regional trade, the roadmap is clear: the future of transport doesn't just lie on land—it lies on the continent's waterways.

Gavin Serkin is the author of 'Frontier: Exploring the Top Ten Emerging Markets of Tomorrow' (Bloomberg), a journalist and editorial consultant, with particular focus on Africa.

THE CHANGING LANDSCAPE OF DIGITAL INFRASTRUCTURE: Consolidation and Opportunity



Evon Jeewan, Corporate Finance Principal at investment banking and advisory firm Bravura, explores the emerging investment opportunities in Africa's digital infrastructure sector. As companies merge and acquire to scale operations, enhance efficiencies, and drive innovation, the evolving landscape presents a compelling case for strategic investment in the continent's expanding connectivity ecosystem.

South Africa's digital infrastructure landscape is undergoing a fundamental transformation, fuelled by an accelerating wave of consolidation. As demand for high-speed internet and data services

continues to soar, companies are merging, acquiring, and forming partnerships to scale operations, reduce costs, and enhance service offerings. While this trend has the potential to improve connectivity and drive innovation, it also raises critical questions about competition and market dynamics.

South Africa is one of Africa's most digitally advanced economies, underpinned by an extensive network of undersea cables, data centres, fibre networks, and wireless communication technologies. However, despite significant investments, many rural and underserved areas still face poor connectivity, with high costs and limited service options remaining major barriers.

This imbalance has intensified competition among service providers while creating opportunities for market consolidation. Companies are increasingly seeking economies of scale to meet the rising demand for connectivity, particularly as digital transformation accelerates across industries.

KEY DRIVERS OF CONSOLIDATION

- **Infrastructure Costs:** Building and maintaining digital infrastructure is capital-intensive. Consolidation enables companies to pool resources, reduce duplication, and share operational costs.

- **Surging Data Demand:** With mobile penetration exceeding 100% and a growing reliance on cloud services, video streaming, and e-commerce, demand for data has skyrocketed. Consolidation allows companies to invest more effectively in network upgrades and capacity expansion.

- **Regulatory Pressures:** Policies aimed at improving broadband access and fostering competition have encouraged smaller players to merge or partner with larger entities to remain compliant and competitive.

- **Global Trends:** South Africa's consolidation wave mirrors international trends, where telecoms, data centre operators, and fibre network providers are increasingly engaging in mergers and acquisitions (M&A) to strengthen market positions.

NOTABLE RECENT CONSOLIDATION DEALS

Several high-profile transactions in South Africa's digital infrastructure sector highlight the growing trend of consolidation:

- **Frogfoot Networks and American Tower Corporation (February 2025):** In a landmark deal, Frogfoot Networks has acquired the fibre assets of American Tower Africa, reinforcing its position in South Africa's

competitive telecom infrastructure sector. The acquisition includes 11,000 km of fibre optic cabling, significantly expanding Frogfoot's network footprint.

- **Infinite Partners and PIC (February 2025):** Infinite Partners, in collaboration with the Public Investment Corporation (PIC), has acquired stakes in three fibre network operators - Net Nine Nine, Evotel, and LinkLayer - and merged them into a single entity, Fibre Holdco. This new holding company aims to expand affordable, reliable fibre connectivity to historically underserved communities, including townships and rural mining towns.

- **Link Africa and Bitco (April 2024):** The acquisition of Bitco by Link Africa enables the company to expand its product portfolio, customer base, and network coverage nationwide. The deal underscores the increasing consolidation among fibre network providers to strengthen their market positions.

IMPACT ON COMPETITION

While consolidation offers potential benefits, it also raises concerns about competition and market concentration:

- **Market Dominance:** Larger players such as MTN, Vodacom, and Liquid Intelligent Technologies dominate the sector, potentially limiting competition and reducing consumer choice in the long term. Increased market concentration could also lead to higher prices.

- **Innovation:** On the other hand, consolidation can drive innovation by combining resources to develop next-generation solutions such as 5G networks, edge computing, and AI-driven network optimisation.

- **Connectivity for Underserved Areas:** Consolidation could help extend connectivity to rural and underserved regions, as larger companies have the financial and technical capacity to invest in these areas. However, without regulatory oversight, such areas may still struggle with access and affordability.

THE FUTURE OF DIGITAL INFRASTRUCTURE IN SOUTH AFRICA

Looking ahead, consolidation is expected to continue as companies position themselves to capitalise on South Africa's digital transformation. Key drivers of future investment and M&A activity include the nationwide rollout of 5G, expansion of data centres, and the adoption of artificial intelligence (AI) and Internet of Things (IoT) technologies.

However, it is crucial that policymakers foster an environment that balances consolidation with competition. Regulatory frameworks must encourage market efficiency while ensuring fair competition and equitable access to digital infrastructure. By achieving this balance, South Africa can build a robust, inclusive digital ecosystem capable of supporting long-term economic growth and technological advancement.

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	February	3-Month	1-Year
Botswana	0.99%	-0.44%	1.83%
Egypt	0.16%	6.15%	-18.15%
Ghana	10.23%	11.55%	13.00%
Kenya	3.21%	9.89%	50.90%
Mauritius	-2.75%	-3.13%	0.65%
Morocco	0.88%	1.72%	7.98%
Namibia	1.07%	-2.23%	21.57%
S&P/FMDQ Nigeria	6.54%	19.60%	25.34%
South Africa	0.59%	-2.60%	21.65%
Tanzania	0.02%	5.86%	5.87%
Uganda	2.99%	3.86%	21.51%
Zambia	0.69%	0.73%	9.61%

Source: S&P Dow Jones Indices

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	February	3-Month	1-Year
Botswana	1.53%	0.26%	25.13%
Cote d'Ivoire	3.72%	4.01%	49.19%
Egypt	0.80%	-1.38%	-34.95%
Ghana	4.06%	15.44%	52.36%
Kenya	4.85%	17.38%	81.64%
Malawi	36.02%	100.65%	200.65%
Mauritius	0.08%	5.01%	23.90%
Morocco	3.72%	12.15%	31.56%
Namibia	0.14%	-0.18%	13.18%
Nigeria	-2.50%	23.62%	38.00%
Rwanda	-1.04%	2.08%	10.32%
South Africa	0.32%	-2.36%	27.28%
Tanzania	-0.30%	6.62%	14.22%
Tunisia	3.00%	4.80%	18.91%
Uganda	-1.07%	8.42%	67.49%
Zambia	-2.08%	-7.40%	21.31%

Source: S&P Dow Jones Indices

Exchange Rate (bid) vs US Dollar

Source: Refinitiv

Country	US dollar	4 weeks	52 weeks	Country	US dollar	4 weeks	52 weeks
	Latest	% change			Latest	% change	
Algerian dinar	133.60	1.41	0.76	Mauritian rupee	45.25	3.68	1.17
Angolan kwanza	921.12	0.00	-7.72	Moroccan dirham	9.69	3.19	3.77
Botswana pula	13.63	1.59	-0.14	Mozambican metical	63.91	-0.03	-0.03
CFA franc	603.32	4.81	-0.14	Nigerian naira	1,535.00	-1.63	3.29
Comorian franc	452.49	4.81	-0.14	Rwandan franc	1,410.70	-0.73	-8.84
Congolese franc	2,862.65	-0.10	-3.24	Seychellois rupee	14.70	1.69	-2.14
Egyptian pound	50.65	-0.06	-5.62	South African rand	18.18	1.93	3.12
Ethiopian birr	131.30	-2.23	-56.74	Sudanese pound	601.00	0.00	-2.50
Ghanaian cedi	15.50	-0.32	-16.71	Tanzanian shilling	2,642.50	-1.99	-3.46
Kenyan shilling	129.45	-0.27	4.48	Tunisian dinar	3.08	3.48	0.85
Libyan dinar	4.81	2.38	-0.01	Ugandan shilling	3,665.00	0.41	6.00
Malawian kwacha	1,732.93	0.07	-2.86	Zambian kwacha	28.63	-2.27	-12.93

PRIVATE EQUITY FUNDS & DEALS

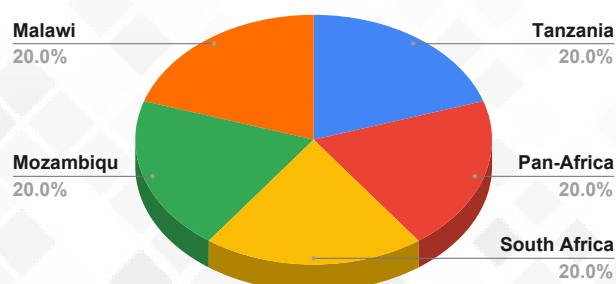
(as of the end of February 2025)

DEALS

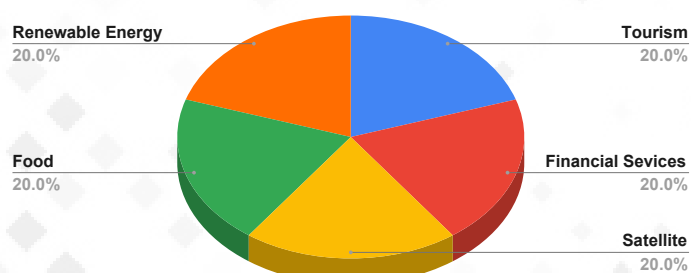
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Alterra Capital Partners	ARP Africa Travel Group	Tourism	Tanzania	Growth Capital	Undisclosed
Beltone Capital	Baobab	Financial Sevices	Pan-Africa	Secondary Buyout	Undisclosed
Futuregrowth Asset Management	CubeSpace	Sattelite	South Africa	Growth Capital	\$3m
Invictus Investment	Merec Industries	Food Manufacturing	Mozambique	Secondary Buyout	Undisclosed
Old Mutual Infrastructure Investment Trust Fund	Golomoti JCM Solar Corporation	Renewable Energy	Malawi	Secondary Buyout	Undisclosed

DEALS BY COUNTRY



DEALS BY INDUSTRY



FUNDRAISING

Company	Fund	Geography	Style	Sectors	Final Close	Target Size
Kholo Capital	Kholo Capital Mezzanine Debt Fund I	South Africa, Botswana, Namibia, Lesotho and Swaziland		Social housing, healthcare, education, renewable energy, food and food security, ICT, financial technology and infrastructure	R1.4bn	
P1 Ventures	P1 Ventures Fund	Pan-Africa	Early Stage Venture Capital	Tech, Fintech	\$60m	\$50m

EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Amethis	Merec Industries	Food Manufacturing	Mozambique	Invictus Investment	Secondary Buyout
Apis Partners Group	Baobab	Financial Sevices	Pan-Africa	Beltone Capital	Secondary Buyout
InfraCo Africa	Golomoti JCM Solar Corporation	Renewable Energy	Malawi	Old Mutual Infrastructure Investment Trust Fund	Secondary Buyout

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 2025-02-28)										
4.14	1.9	34.39	9.51	7.03		Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
African Domestic Bond Fund (as-of 2025-02-28)										
	1	6.8	20.7	-11.5		ETF - local currency FI	African region	Mauritius	Open-End	9/18
African Lions Fund (as-of 2024-12-31)										
	10.3	27.07	11.5		31.20 (12/24)	Equity	SSA ex-SA	BVI	Open-End	10/20
Allan Gray Africa Bond Fund (as-of 2025-02-28)										
2.2	0.2	11.5	6.6	5.4	326.00 (02/25)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2025-02-28)										
3.31	2.64	6.75	-1.6	5.72	405.00 (02/25)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Commonwealth Africa Fund (as-of 2025-02-13)										
1.01	1.01	20.45	-0.5	3.72	3.77 (01/25)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2025-02-28)										
3.93	0.96	30.95	-5.6	2.56	353.09 (01/25)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
DWS Invest Africa (as-of 2025-03-17)										
6.19	2.13	20.25	-1.64	4.59	26.35 (02/25)	Equity	African region	Luxembourg	SICAV	07/08
EFG-Hermes MEDA Fund (as-of 2025-03-17)										
3	-1.39	10.29	15.84	19.35		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Enko Africa Debt Fund (as-of 2025-02-28)										
8.07	3.33	34.17	18.94	16.05	812.50 (02/24)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2025-03-17)										
5.73	-0.67	19.62	8.26	4.35	241.18 (02/25)	Equity	EMEA	Luxembourg	SICAV	06/07
Imara African Opportunities Fund (as-of 2025-01-31)										
2.11	2.11	1.99	-14.05	-6.97		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 2025-02-28)										
3.1	1	15.6	4.9		51.50 (02/25)	Fixed Income ex South Africa	African region	Ireland	UCITS	04/21
Laurium Limpopo Master Fund (as-of 2025-02-28)										
4.63	0.9	31.03	5.91	3.09	198.30 (02/25)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2025-02-28)										
4.47	1.5	7.08	-8.24	-5.26		Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2025-02-28)										
	0.5	-3.2	-31.2	-28.9		Fixed Income	African region	Mauritius	Open-End	2/14
Ninety One Premier - Africa Fund A (as-of 2025-02-28)										
4.05	3.37	11.08	-14.36	-23.33	0.52 (02/25)	Equity	African region	Guernsey	Open-End	01/07
Old Mutual African Frontiers Flexible Income Fund (as-of 2025-03-17)										
3.5	-4.53	11.67			27.92 (02/25)	Fixed Income	African region	Ireland	OEIC	05/22
Old Mutual African Frontiers Fund (as-of 2025-02-28)										
4.66	0.63	40.37	0.75	2.7	278.09 (1/25)	Equity	Africa ex-SA	Ireland	Open-End	5/10
Sanlam Africa Equity Fund (as-of 2025-02-28)										
3.73	1.25	20.57	-1.14	4.86		Equity	Africa ex-SA	Ireland	Open-End	07/15
Steyn Capital Africa Fund (as-of 2025-02-28)										
5.21	1.13	17.1	4.54	7.54	170.00 (01/25)	Equity	Africa ex-SA	Malta	SICAV	09/11
Sustainable Capital Africa Alpha Fund (as-of 2025-02-28)										
0.82	-1.51	-0.11	-0.08	6.88		Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2025-02-28)										
5.65	1.47	13.73	-2.97	-2.67		Equity	Africa ex-SA	Holland	Open-End	03/08
T. Rowe Price Africa & Middle East Fund (as-of 2025-02-28)										
3.71	0.47	8.82	2.6	10.34	92.50 (02/25)	Equity	MENA & SSA	United States	Open-End	10/11

IS THE NIGERIA CARRY TRADE STILL WORTH IT?



By Dr. Olufisayo Olanrewaju,
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Foreign Investors and portfolio managers looking for juicy returns in emerging markets have found the Nigeria money market a viable source of

“guaranteed” returns. With the Central Bank of Nigeria (CBN) offering yields north of 15% per annum and even guaranteeing them the repurchase of their foreign currency through swaps, foreign emerging market managers have found a good “carry-trade” investment.

The playbook for emerging market managers in this scenario is simple - receive capital from their clients at a cost of about 4.5% (the current USA Fed funds rate) and invest in Nigeria money market (Open Market Operations -OMO) bills at rates of 25%- 27%

scenario- the worst-case scenario is that yields have fallen to a level that other investors do not see it fit to park their funds in Nigeria OMO bills anymore and instead would prefer other asset classes in Nigeria such as stocks or real estate causing yields to rise.

In this scenario, the new entrant would be forced to keep his OMO bill till maturity as selling before maturity would result in a loss. On its own, this may still be manageable but combined with a sharp rise in the USDNGN rate (meaning the dollar rises “massively” in value compared to the Naira), that would increase the dollar cost of capital to the new-entrant EM manager and increase the counterparty risk in the currency protection strategy (e.g. swap) that the EM manager may have put in place- in case, the counterparty is the CBN, they may struggle to find \$ for the EM manager at maturity, and thus the EM manager may be kept in a backlog to receive his funds- this has happened before and is a real risk. Let’s now examine the two components of the worst-case scenario

“For a potential entrant into this “carry- trade” the worst-case scenario is that yields have fallen to a level that other investors do not see it fit to park their funds in Nigeria OMO bills

per annum with the exchange rate at exit already locked in and guaranteed.

However, over the last month, yields have dropped significantly to 21% or lower per annum as more foreign investors have jumped in- with the US Dollar US\$- Nigerian Naira NGN i.e. USDNGN exchange rate also being impacted.

The one-year treasury bill trend (treasury bills are similar to the OMO bills trend but intended to have longer maturity than OMO bills.) and the USDNGN over the last four months.

For a potential entrant into this “carry- trade” what is the worst-case

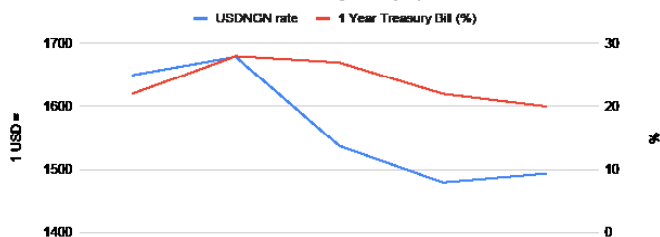
and the likelihood of them occurring.

First, have the yields hit rock bottom? For starters, the money market yields are around their 2024 low and 52-week low, a logical area where many investors would expect a bounce back after extended declines meaning some investors who had bought earlier when yields were 27%-30% might start taking some profits on their positions without holding to maturity.

On the exchange rate front, the Dollar index declined by as much as 1.9% in 2025. However, in the last few weeks, there has been a gradual sell off in global risk assets which has led in a flight to the Dollar. If this trend continues the US Dollar may recover its 2025 year-to-date (YTD) losses and that may lead to an appreciation on the USDNGN rate. For the Naira, it would need strong Economic growth (we are talking north of 7%) and a reduction in the money supply to become strong. The latest GDP figures (Q4 2024) show a 3.84% Year on Year growth rate.

Based on our analysis in combining these factors, we suggest that if the Yield remain above 18% and the USDNGN rate remains below N1600, foreign investors can still engage in the carry trade- however, if any of these factors changes, we advise foreign investors to look elsewhere in the capital or money market in Nigeria or across the globe for investment opportunities.

USDNGN rate and 1 Year Treasury Bill (%)



Source: Tower Securities and Investment Co Nigeria (stockbrokers). Research, USDNGN Trading View

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