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Q&A:

**AFRICAN REAL ESTATE: MEETING WITH
GRIT'S BRONWYN KNIGHT**

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**SA HEDGE FUND INDUSTRY GROWS
ASSETS TO R86.93BN**

NEWS:

**RISCURA TARGETS R2BN FOR NEW
IMPACT-FOCUSED DEBT FUND**



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In this month's issue, we speak with Walid Cherif, Founder and Managing Director at BluePeak Private Capital, to learn more about the Fund, its investment strategy and investment opportunities in Africa. Read on p.14.

In addition, Bronwyn Knight, CEO of Grit Real Estate Income Group, tells AGF about real estate investment opportunities in Africa, trends, the company's approach to investing in Africa and challenges. Knight expects a steady resurgence in retail and hospitality as travel and economic disruptions subside. Read more on p.15.

We also learn that the South African hedge fund industry ended 2021 with assets under management of R86.93bn. This represents a healthy growth in assets of R13.66bn over the 12-month period, according to Association for Savings and Investment South Africa (ASISA). Read on p.16.

We also hear from Tiago Bossa Dionísio about Angola's latest Eurobond issue. The government said that \$750m of the proceeds from this debt sale will be used to buyback existing Eurobonds due in 2025 and 2028 and the remainder to finance its budget. More on p.17.

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

RisCura Targets R2bn for New Impact-Focused Debt Fund



Glenn Silverman,
Investment Strategist
RisCura

RisCura is raising capital for its impact debt fund and will raise up to R2bn over the next three years, Africa Global Funds has learned.

The Fund aims to give institutional investors, such as retirement funds, a way to impact South Africa's key development priorities especially job creation.

"The goal is to provide a stable source of funding for commercially competitive impact and development projects that align to both South Africa's National Development Plan (NDP) and the UN Sustainable Development Goals (SDGs)," said Glenn Silverman, Investment Strategist at RisCura.

"We're targeting R2bn as making a difference in this space takes fairly significant amounts of money," Silverman said.

Structured as a fund of funds, the RisCura Impact Debt Fund aims to deliver both measurable, positive impact as well as market-related investment returns. The fund of funds structure allows investors to gain exposure to a diverse portfolio of opportunities, and also helps to manage risk.

"Imagine if you've only invested in one fund and it experiences a disastrous credit event. This could wipe out 5-10% of the portfolio. In a fund of funds, this risk is mitigated through diversification as the number of counterparties multiplies," Silverman said.

RisCura has identified the underlying funds it would like to invest in, 90% of which are South African based.

Sectors the fund is likely to target include green energy and infrastructure, with job creation, poverty alleviation and BBBEE [broad-based BEE] credentials also being key considerations.

Once the fund has reached R500m the minimum investment amount will be lowered to R20m to accommodate smaller pension funds, or even high-net-worth individuals and family offices. Investors will need to be prepared to commit to an initial three-year investment period during which time assets will effectively be locked up but with liquidity available thereafter with six months' notice.

"Retirement funds and other institutional investors are not blind to the myriad social and developmental needs facing South Africa. But finding ways to invest their pools of capital to directly address these issues is not always easy," said Silverman.

The RisCura Debt Fund is part of its Impact Fund Series, which also includes an equity and a property fund.

Most of the underlying investments in the funds will be unlisted.

"We've always focused on helping our clients to find ways to ensure their members are financially secure when they retire or fall ill. But what if the environment and society they retire into are on the point of collapse or the health system they need to rely on is failing? This is the question driving us to create new solutions for our clients. Sustainable financial returns can only be generated and later used in a healthy society and environment," Silverman concluded.

FUNDRAISING

African Rivers Fund III reaches hard cap at \$85m

XSML, a fund manager active in Central & East Africa, has reached the hard cap for its African Rivers Fund III (ARF III) at \$85m.

Barthout van Slingelandt, Managing Partner at XSML, said: "We have welcomed four new investors in our third fund and are excited that Swedfund, one of those new investors, increased its commitment in the first quarter of 2022, leading us to reach our hard cap."

The top up by Swedfund adds to investments already made by FISEA, managed by Proparco (the French development institution) DALHAP (private impact investor) and Norfund (the Norwegian development fund).

"We see Swedfund's top-up as a testimony of trust in our model, as

we start to provide liquidity to our investors in ARF III in the coming quarters - very similar to what we have done with our predecessor funds. Through our local offices, including Luanda, Angola, which is on the verge of opening in Q2, 2022, we continue to invest in local, private businesses to support economic growth and to create jobs," said van Slingelandt.

The first close investors include BIO (Belgium Investment Company for Developing Countries), the Dutch Good Growth Fund (DGGF, managed by Triple Jump), FMO (the Dutch development bank), IFC (a member of the World Bank Group), Swedfund (Swedish development bank) and the SDG Frontier Fund (which includes nine private and

institutional investors from Belgium). Most investors in Fund III have invested in XSM's earlier funds, but DALHAP, Norfund, Swedfund and SDG Frontier Fund are new investors, demonstrating commitment and support for investing in these frontier markets.

ARF III targets growing, well-managed small and medium-sized enterprises (SMEs) in the Central African region covering Angola, the Democratic Republic of Congo (DRC), Uganda and the Republic of

Congo and surrounding countries.

The Fund provides debt, equity and mezzanine finance to fast-growing companies in these regions with investments between \$100,000 and \$7.5m.

Van Slingelandt said: "We have been in full swing in the last 17 months to deploy capital and by the first quarter of this year, have committed over 55% of ARF III capital in 23 businesses."

FUNDRAISING

Injaro Ghana Venture Capital Fund targets first close in Q2



Yaw Sampong,
Executive Director
Injaro

Injaro Investment Advisors, a Ghanaian growth capital investor, has launched the GHS150m (\$20m) Injaro Ghana Venture Capital Fund (IGVCF), its inaugural Ghana cedi denominated fund.

The target size for the first close, which is set for May 3, 2022, is GHS75M (~ \$10m) and it has been met.

The Fund launches with commitments from several private pension schemes including the Petra Advantage Pension Scheme and Petra Opportunity Pension Scheme; Ghana Education Service Occupational Pension Scheme; Axis Pension Trust, Enterprise Tier 2 Occupational Pension Scheme and other clients of Stanbic Investment Management Services.

The launching of IGVCF represents a historic milestone in the evolution of Ghana's capital markets.

"It is the first private equity fund to be anchored primarily by local private pension funds. The fund is also denominated in local currency (GHS), thus eliminating the FX pressures typically experienced by funds denominated in hard currency," said Yaw Sampong, Executive Director at Injaro (pictured).

This milestone has been facilitated by progressive improvements in the pensions regulatory landscape, which commenced with the implementation of the 3-tier pension system in 2010 and the creation of the National Pensions Regulatory Authority (NPRO). The most recent amendments to the NPRO guidelines set a minimum target for variable income investments.

This requires pension schemes to diversify their portfolios to incorporate this asset class which includes private equity.

This presents local private equity fund managers the opportunity to tap into some GHS22bn (\$2.93bn) of capital managed by private pension schemes (as of 2020).

IGVCF will invest in high potential businesses across sectors that can

grow profitably as well as contribute to job creation and sustained economic growth.

The Fund will make equity, quasi equity or debt investments in SMEs in the Food & Agribusiness, Education, Inclusive Financial Services, Healthcare, Manufacturing and Industrial Services sectors mainly in Ghana (80%), and Cote d'Ivoire (up to 20%).

Established in 2009, Injaro's experience includes managing the \$49m impact investment fund, Injaro Agricultural Capital Holding (IACHL), launched in April 2012.

IACHL is focused on SME investments across the agricultural value chain in West Africa, IACHL's investment portfolio has generated \$124m in revenue and benefitted more than 3.78 million persons, mainly comprising smallholder farmers, low-income persons, and their families.

Through IGVCF, Injaro will implement an investment strategy that is distinct from its first fund in sector focus, but complementary to Injaro's objective of building sustainable African businesses.

With ticket sizes ranging from GHS8m – 20m (\$1.07- \$2.67m), the fund seeks to partner profitable businesses within growth sectors. IGVCF will prioritize opportunities that are best placed to leverage new capital to create value and offer local institutional investors the benefits of the private equity asset class – better returns and diversification.

Jerry Parkes, Managing Director at Injaro, said: "Our vision for the fund goes beyond supporting businesses to drive economic growth. We also hope, through our work with IGVCF, to contribute to a more vibrant capital market in Ghana. We consider private equity investments to be at the start of the investment conveyor belt that ultimately creates a variety of securitization opportunities for the market."

"IGVCF, as a private equity fund specifically targets the most promising and fastest growing businesses thus providing a well-managed exposure to these growth opportunities. The opportunity is compelling; IGVCF represents more than just a private equity fund. Investing in this fund helps to build Ghana's economy, contributes to building our capital markets and offers interesting returns for investors. Join us in making history and building a more prosperous Ghana for future generations."

AIIM and Mokobela-Shataki consortium acquire TLG



Ed Stumpf,
Investment Director
AIIM

African Infrastructure Investment Managers

(AIIM) and the Mokobela-Shataki consortium have

completed a ZAR1.6bn takeover of

The Logistics Group (TLG), an integrated

logistics company operates in Southern Africa with services across port, rail, warehousing and digital transport logistics.

The transaction was financed by a mix of equity and debt financing. AIIM, through its South African IDEAS Fund and AIIF4 Fund, acquired a

pipeline across the Digital infrastructure, Energy Transition and Mobility and Logistics sectors. We look forward to expanding the fund's portfolio."

Investment to enhance the existing TLG terminals in Cape Town, Port Elizabeth and Durban will be pursued in partnership with Transnet National Ports Authority, while operational ramp-up of TLG's businesses in Mozambique, Zambia and Namibia will be prioritised.

AIIM will also seek to develop bolt-on investment prospects in other key markets where it has portfolio investments and on-the-ground experience to ensure TLG provides a comprehensive offering along

"Positioning the group to support multi-mode rail/road and backhaul cargo efficiency is a core part of our strategy to reduce carbon emissions as part of the journey to net zero"

- Ed Stumpf

74% stake in TLG.

The remaining 26% stake was acquired by strategic investment partners, the Mokobela-Shataki Consortium, sponsored by Moss Ngoasheng, founder and CEO of Safika Holdings, and Monhla Hlahla, former CEO of the Airports Company South Africa and current Chairperson of Royal Bafokeng Holdings.

Ed Stumpf, Investment Director at AIIM, said: "TLG presents a rare opportunity to acquire a multi-corridor player while addressing regional capacity constraints in partnership with Transnet and other major operators in the region. We view TLG as the cornerstone for a regional ports and logistics platform which will pursue additional investments along a number of transport corridors."

"Looking more broadly, this will help reduce transport costs, which can have a considerable impact on the price of goods and catalyse trade regionally and beyond. Positioning the group to support multi-mode rail/road and backhaul cargo efficiency is a core part of our strategy to reduce carbon emissions as part of the journey to net zero."

Olusola Lawson, Managing Director & Co-Head at AIIM, said: "This represents our next generation pan-African fund AIIF4's first investment. AIIF4 is a thematic investor with a high-quality diversified

diverse corridors to hinterland centres of production or demand, commencing in the Southern and East African region.

In line with the company's integrated ESG approach, AIIM will monitor implementation of an Environmental and Social Action Plan, including strengthening the health and safety conditions, reviewing HR policies and systems and evaluating site-specific climate related risks.

"We are excited to conclude this transaction and create a long-lasting partnership with AIIM and TLG. The acquisition allows Mokobela-Shataki to gain a strong foothold in the Southern African logistics industry, which we envision to be a key catalyst for the economic recovery and future growth of the region post Covid-19," said Moss Ngoasheng, founder and CEO of Safika Holdings.

"The combination of TLG's logistics expertise and the infrastructure investments and ports expertise of the AIIM Mokobela-Shataki Consortium will create greater supply chain efficiencies, deliver more comprehensive logistics solutions into a wider market and ensure a sustainable and positive impact on communities and the planet," he added.

AIIM's legal advisor was ENS. Singular Consulting provided commercial advice and KPMG led on accounting and tax.

EXITS

Actis exits AutoXpress to AfricInvest

Actis has exited from AutoXpress, an importer, distributor and retailer of tyres, auto parts and accessories serving retail and corporate customers in the East African market.

Actis has sold its stake in the company to AfricInvest, a Pan-African mid-cap-focused private equity firm.

Michael Turner, Director at Actis, said: "Across our partnership, Actis and the dedicated leadership at AutoXpress shared an ambitious plan to enhance and entrench the company's pan-regional presence. We are proud to have supported AutoXpress as it continues to scale, in its corporate development, and on its CSR programmes. We wish them the very best as they embark on their next phase of growth with AfricInvest."

Since Actis' investment in AutoXpress in 2014, the business has more than doubled the number of branches to 56, grown retail sales contribution from 15% to 35%, opened two new country headquarters in Uganda and Tanzania, forged partnerships with auto vehicle and parts manufacturers ranging from Goodyear to Honda, and now

counts more than 900 well-trained professionals as part of its workforce.

This unique pan-regional business has also benefitted from the backing of Actis' dedicated responsible investment team, which has supported AutoXpress with a range of initiatives to improve the business' ESG performance across waste disposal, recycling, and community engagement.

Sandeep Shah, Managing Director of AutoXpress said: "AutoXpress has benefitted immensely from the investment by Actis helping it diversify its offering in terms of products, geographies and customers."

"Their guidance at the board level has been instrumental in AutoXpress meeting its strategic goals while ensuring that it does so in a way that is responsible and sensitive to the communities it operates within. We are very proud to have partnered with Actis and thank them sincerely for their enormous contribution over the years," he said.

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DEALS

BluePeak makes second investment in ieng



Rami Matar,
Partner
BluePeak Private Capital

BluePeak Private Capital has invested \$20m in ieng, a pan-African provider of engineering and construction, operations and maintenance, and hybrid power solutions to Africa's burgeoning telecom sector.

The growth capital supports ieng's geographic expansion plan across the continent, enabling the company to provide innovative and cost-effective solutions to a broader range of clients and industries, solidifying its position as a leading provider of end-to-end infrastructure services and cutting-edge solutions.

In addition, the investment advances ieng's strategy to meet growing consumer demand for telecom infrastructure services, boosting connectivity for last-mile access and deepening the firms' footprint by providing catalytic capital for new contracts with blue-chip clients.

Rami Matar, Partner at BluePeak Private Capital, said: "Through reliable services and a strong track record, ieng has managed to position itself as a preeminent service provider to blue-chip telecom clients in Africa, competing head-to-head with global service providers. We are excited to support ieng and fund its growth plans as development in telecommunications narrows the gap in Africa's digital divide and is a critical enabler of economic development, productivity, and inclusive growth."

Established in 2007 in Ghana, ieng gradually expanded its operations and is today a prominent service provider to blue-chip tower

companies and mobile network operators across Africa.

Over the years, the company has developed an extensive track record and currently maintains a portfolio of more than 23,000 towers on behalf of clients in growing economies across the continent including Nigeria, Ghana, Kenya, Uganda, the Democratic Republic of Congo, and beyond. Further, ieng has established an in-house hybrid power solution to reduce carbon emissions of telecom towers through transformative means.

The telecommunications sector is poised for onward growth in Africa, on the back of: (i) growing mobile penetration, (ii) increasing number of internet users, and (iii) the rollout of 4G and 5G towers to improve and expand the quality of connectivity. ieng is well-positioned to leverage its competitive geographic reach and long-term relationships with clients to capitalize on the market opportunity and further scale its operations.

The investment is aligned with the Fund's impact agenda and will support ieng in strengthening mobile and internet connectivity and promoting evolutionary hybrid power solutions.

BluePeak's \$20 million investment promotes UN's Sustainable Development Goal 3 Good Health and Well-being, Goal 5 Gender Equality, Goal 7 Affordable and Clean Energy, Goal 8 Decent Work and Economic Growth, and Goal 9 Industry Innovation and Infrastructure.

Rami Shibley, Founder, and CEO of ieng said: "We are excited to start this long-term partnership with BluePeak to support ieng's continuous growth and development. The investment provides critical capital, enabling ieng to meet the increasing demand for reliable telecom services, improved connectivity, and more efficient power solutions."

EXITS

Harith exits MainOne

Harith General Partners (Harith) has sold its stake in MainOne, West Africa's largest communications services operator to Equinix, the world's largest digital infrastructure company, following the achievement of all regulatory approvals.

MainOne is one of the largest investments of the Harith-managed \$630m Pan African Infrastructure Development Fund (PAIDF).

The sale of MainOne represents an important milestone for Harith and its PAIDF investors.

MainOne was established to finance, construct, own and operate a state-of-the-art subsea fibre-optic broadband cable system more than 7 000km long.

The cable connects the west coast of Africa by means of a landing

in Nigeria, Ghana, Cote d'Ivoire and Senegal to the rest of the world through a landing in Portugal and onward connectivity to London.

With a presence in over ten countries in West Africa through fibre infrastructure and data centres – MainOne's world-class and transformational digital infrastructure has improved connectivity and internet access for millions of people and businesses in West Africa – propelling these economies and societies onto a higher growth trajectory. MainOne employs 600 people and has created over 100 000 direct and indirect jobs in the markets where it operates.

The business has built a customer base of over 1000 enterprise customers and is connected to 5 Internet Exchanges with 50 PoPs

across West Africa.

MainOne further diversified and expanded its product offering and revenue mix when it invested in a tier 3+ Data Centre (MDXi) a few years ago.

This resulted in the Company offering non-connectivity services, including cloud offerings and disaster recovery services.

Sipho Makhubela, Harith CEO, said: "The success of Main One illustrates Harith's proven ability to identify compelling value opportunities that have the potential to deliver both developmental

and financial returns to investors. By investing in a transformational communications infrastructure project, Harith played a leading role in bridging the digital divide and providing West Africa with the high speed, reliable connectivity it needed to support rapid economic growth and integration with the global economy."

"With a successful exit from Main One secured and a deep team of investment professionals specialised in infrastructure, we are now well poised to capitalise on the next wave of digital opportunities on the continent," he said.

DEALS

OMPE to acquire Long4Life

Old Mutual Private Equity (OMPE), a division of Old Mutual Alternative Investments, has agreed to acquire 100% of Long4Life and delist the company.

The deal is valued at ZAR 4.2bn and will be financed through a combination of debt and equity.

The deal is subject to further conditions precedent (including the approval of the Competition Commission) and is expected to be concluded in June 2022.

"Our modus operandi as OMPE is to deliver deals that are a win-win solution for all parties. We always knew to successfully execute on a transaction of this magnitude, not only would it be important to deliver a value unlock for shareholders, but also speed and certainty of execution, which we believe was what made the OMPE offer very compelling to Long4Life," said Chumani Kula, Co-Head of Old Mutual Private Equity.

"Our offer was also very compelling to underlying management, which enables the underlying teams to invest alongside us directly in their own businesses and therefore be more in control of their own destiny. Lastly, from an OMPE perspective, the deal represented an attractive opportunity to acquire high-quality assets which we like and have followed for a long time, whilst partnering with strong

management teams with which we are aligned."

Long4Life is a South Africa-based investment holding company that focuses on lifestyle businesses.

The transaction is a significant one for OMPE Fund V, presenting a unique opportunity to acquire three businesses in one transaction.

OMPE will delist Long4Life, unbundle the three underlying segments, being Holdsport, Chill & Inhle Beverages and the Personal Care & Wellness segment into OMPE Fund V, to be managed as separate businesses with their own management teams.

The OMPE team will partner with the management teams on an agreed vision and strategy, as well as provide capital, perspective, stewardship and ESG disciplines.

"As OMPE we have been around for more than two decades and we were able to bring our extensive experience to bear in executing swiftly on a transaction that had its share of complexities, as they always do. This deal represents a significant milestone for our franchise and could be viewed as a landmark transaction in the context of South African private equity, which we are very pleased about. We wish Brian and the rest of the Long4Life team well and look forward to our partnership with the underlying management teams," said Jacqui Myburgh, Co-Head of Old Mutual Private Equity.

DEALS

Verod Capital Growth Fund III takes stake in Medplus

Verod Capital Management via its Verod Capital Growth Fund III has completed the acquisition of a significant minority equity stake in Medplus, the largest Nigerian pharmaceutical retail business.

"Medplus has a long track record of pharma excellence and is led by an experienced CEO and management team," said Eric Idiahi, Partner at Verod Capital.

"We believe in the company's growth potential and are thrilled about its expansion plans in the traditional and digital channels and in ancillary services, i.e. nutritional and wellness services. We are excited about the opportunity to partner with the team at Medplus in a joint mission to increase healthcare accessibility, reliability and efficiency, and also to contribute to the continued success story of

the company."

Medplus has almost three decades of successful operations, offering a robust product portfolio, retailing a variety of essential drugs, beauty products and everyday household items, through its e-commerce platform and across over 79 stores, to a large and growing consumer base. Medplus is a widely recognised brand with a reputation for genuine products and professional service.

With the fast-growing urban population, increasing healthy lifestyle and consciousness, better verification to address counterfeit drugs, and favourable regulatory support. Nigerian pharmaceutical industry is poised for further growth.

Retail pharmacies are addressing the growing demand for conven-

ient and accessible care by end - consumers.

Reinforced by these factors, Medplus is well positioned for future growth, in a large growing underserved market through its targeted store expansion plans and its digital retail strategy.

This investment provides growth capital needed to accelerate Medplus' expansion plans, which would enhance the provision of high-quality product portfolio across Nigeria and contribute to the development of the healthcare sector.

Joke Bakare, Founder and CEO of Medplus, said: "We are pleased to have Verod Capital as a partner and look forward to working with

their team to expand our network of stores across Nigeria and deepen our digital channel to continue providing quality products to our customers and developing new opportunities for growth in Nigeria's pharmaceutical sector."

"Verod Capital has extensive experience supporting the development of companies including providing best-in-class environmental, social and governance practices, and we are confident that their resources, network and insights will help us in executing on our strategic growth strategy. We also thank Stanbic IBTC Capital Limited for guiding us efficiently and strategically through this process."

EXITS

LeapFrog partially exits Goodlife



Dr. Felix Olale,

Partner and Co-Head of Global Healthcare Investments

LeapFrog

LeapFrog Investments has sold nearly 30% of its shareholding in Goodlife Pharmacies, East Africa's leading healthcare and retail pharmacy chain, to Eurapharma, the healthcare division of the CFAO Group.

"We are delighted to join hands with CFAO Healthcare for this significant milestone for Goodlife," said Dr. Felix Olale, Partner and Co-Head of Global Healthcare Investments at LeapFrog.

"Their investments will help realize our collective vision of creating a healthcare ecosystem that addresses consumer needs across categories in a unified, vertically integrated, and digitally-enabled manner. At its core, Goodlife is addressing the accessibility gap to high-quality, affordable healthcare products and services across East Africa. This new chapter in Goodlife's journey will continue to improve healthcare at scale in the region."

Goodlife was established in 2014 and has grown into the largest private pharmacy chain in East Africa, with nearly 100 locations in Kenya and in Uganda that reach 1.7 million people.

This transaction will be the first partial sale for the LeapFrog healthcare team, investing out of LeapFrog Emerging Consumer Fund III, which launched in 2017.

LeapFrog first invested in Goodlife in 2017, and will remain the majority shareholder, while bringing on board an experienced pharmaceutical group with the expertise to help take Goodlife to even greater heights.

In a separate transaction announced earlier this month, Goodlife raised \$12m in debt financing from Proparco.

Focus on innovation has enabled Goodlife to rapidly transform from a traditional brick-and-mortar pharmacy chain to an integrated, omnichannel health hub. Its holistic services include basic laboratory diagnostics and telemedicine services through key partnerships, loyalty programs, and a comprehensive digital platform.

During the pandemic, it has also developed a digital e-commerce

platform to better serve patients.

Goodlife has an ambitious expansion plan, aiming to operate more than 250 stores by 2025 and to broaden its reach to over 8.5 million people, half of whom earn between \$2-10 per day.

Goodlife will intensify its social impact through the launch of a new format and brand offering specifically designed for lower-income populations.

To execute the expansion plan, Goodlife has sought a strategic partner in CFAO Healthcare, which is entering Goodlife as its second-largest shareholder with a 30% stake.

"Goodlife has built strong brand recognition in East Africa," said Goodlife's CEO, Amaan Khalfan.

"We hope to offer all East Africans affordable and accessible high-quality medicines and grow our operations to offer more jobs, better healthcare, and more sustainable supply chains. Eurapharma's investment in Goodlife strengthens our ability to provide reliable healthcare products and superior customer experience through our pharmacy network and via our digital platform – an element which enabled continued access to critical healthcare products through the pandemic. Goodlife Pharmacy will continue to work in marginalized areas, taking the same quality of care and providing products at the right price points for these markets. In addition, we will be working with local Kenyan manufacturers to create additional demand for Kenyan manufactured pharmaceuticals."

Jean-Marc Leccia, CEO at CFAO Healthcare, said, "For the past decade, Eurapharma/CFAO Healthcare has been actively pursuing a strategy of value-chain integration, first upstream with our entry into the pharmaceutical manufacturing industry, and now downstream with the Goodlife transaction. This is the first step towards establishing CFAO Healthcare as a major retail pharmacy player in Africa. By being an integrated operator across pharmaceutical manufacturing, wholesale, and retail distribution, we'll be able to better serve our partners and, more importantly, African patients. Always with the same unwavering goal of contributing to the improvement of healthcare outcomes throughout the Continent."

DEALS

Vantage Capital backs Egyptian PE firm

Vantage Capital, Africa's largest mezzanine fund manager, has provided \$10m of mezzanine debt funding to Compass Capital, a Egyptian private equity firm, to acquire six grade A office buildings in East Cairo.

The acquisition is being made by Compass Capital's existing real estate company, Bonyan for Development and Trade, which owns and operates the Walk of Cairo, an outdoor retail boulevard in West Cairo.

The office buildings were acquired from Namaa for Development and Real Estate Investment, a private real estate developer and operator owned by the Sallam family.

Located in the heart of New Cairo's central business district, the properties have an aggregate gross leasable area of 47 200 square metres and are fully tenanted by multinationals (including Nestlé, General Electric, Johnson & Johnson and Lafarge Cement) as well as large local Egyptian corporates.

The Walk of Cairo, the existing real estate asset owned by Bonyan, is located in Sheikh Zayed City, West Cairo and commenced operations in December 2020.

The open-air mall provides an extensive range of unique entertainment and experiential offerings such as the Museum of Illusions, a wax museum and an amphitheatre where weekly events are held.

The mall also offers a wide selection of food and beverage, lifestyle and retail outlets, hosting popular brands that include Natuzzi, Mc-Café, Espresso Lab and Core Gym.

Founded in 2010, Compass Capital is a Cairo-based private equity firm with a hands-on management approach.

Over the past twelve years, the firm has built an attractive portfolio of investments across pharmaceuticals, financial services and real estate.

Tarek Abdel-Rahman, Co-Managing Partner of Compass Capital, said: "There is currently no easy way for investors to gain exposure to a diversified portfolio of stable, yielding real estate assets in Egypt despite this being a major and fast-growing sector of the economy. Our vision is therefore to build such a real estate portfolio with a view to listing it on the Egyptian Stock Exchange. Through accessing public capital, further real estate acquisitions could be then made over time, enabling the portfolio to keep expanding and diversifying."

This listing would be the third for Compass Capital, who have previously achieved a partial exit of Rameda Pharmaceuticals and a full exit of CI Capital through initial public offerings on the Egyptian Stock Exchange.

Tarek added, "Vantage Capital has played an important role in supporting our vision and their funding has enabled Compass to retain its existing equity stake in the real estate portfolio."

David Kornik, Partner at Vantage Capital, said: "The real estate market in Egypt is buoyant and exhibiting robust growth, notwithstanding the onset of Covid. In particular, East and West Cairo have been expanding rapidly as residents move out of central Cairo to escape the congestion and improve their quality of life. The population of West Cairo alone has grown four-fold over the past four years, from 440,000 residents in 2017 to 1.8 million today and forecasts are for this to reach 6.7 million by 2027. Similarly high rates of growth are being seen in East Cairo, which currently has an estimated 8 million residents. This has fuelled strong demand growth for both retail and office space in these areas, supporting the real estate assets in Compass' portfolio."

The transaction represents Vantage Capital's 33rd investment across four generations of mezzanine funds, with its portfolio spread across eleven countries in Africa.

Warren van der Merwe, Managing Partner at Vantage Capital, said: "The transaction with Compass Capital marks our second investment into Egypt in as many years. With a population in excess of 100 million and an economy delivering resilient growth, it is a country with significant potential and a key target market for our firm as we look to deploy our newly-raised fourth mezzanine fund."

Africa's growing population and urbanisation are spurring significant investment into property developments across the continent. Over the years, Vantage has provided substantial financial support to the sector. This includes funding two neighbourhood shopping malls in Nigeria and Kenya, two mixed-use developments in Lagos and on the west coast of Mauritius, a hotel & commercial property group in Namibia, a leading owner & operator of hotels across Egypt's Red Sea, as well as two residential property developments in South Africa.

DEALS

Kasada buys Cape Grace Hotel

Kasada Capital Management has acquired the 120-key Cape Grace hotel in Cape Town, South Africa.

This acquisition marks Kasada's entry into the South African hospitality market and the continued fulfilment of the platform's strategy to expand its presence in key cities across Sub-Saharan Africa.

Kasada will now deploy its expertise in Cape Town with an asset

voted one of the "Top Luxury Hotels" in the continent.

Originally opened in 1996, the Cape Grace is located in Cape Town's Victoria & Albert Waterfront district and is one of Africa's most iconic hotels.

This acquisition will mark a new chapter in the property's history.

With high ambitions for this Cape Town landmark, Kasada will reno-

vate the hotel with the view of obtaining the EDGE green-building certification while keeping its legacy, unrivalled quality, and exceptional service which have been the essence of this exceptional property.

Olivier Granet, Kasada's Managing Partner and CEO, said: "This acquisition marks our entry into the South African hospitality market, the largest in Africa. The Cape Grace is a great addition to our existing hotel portfolio and we look forward to bringing our knowledge and expertise to this iconic asset. Our value creation strategy will be driven by our sustainability values and highest ESG standards for the

benefit of our guests, employees and local communities."

David Damiba, Kasada's Managing Partner and CIO added: "We are delighted to have completed this important acquisition in Cape Town. It demonstrates our continued ability to structure and execute transactions across hotel segments and geographies. With the acquisition of the Cape Grace and our subsequent capex commitment, we continue to believe in the resilience of the African hospitality market and confirm our positioning as a leading investor and solution provider in the hospitality sector on the continent."

DEALS

1K1V and Crossfin complete Sybrin acquisition

One Thousand & One Voices (1K1V), in partnership with diversified FinTech investment holding company Crossfin Technology Holdings (Crossfin) and investor Isaac Mophatlane, have announced the completion of the Sybrin Group of Companies (Sybrin) transaction.

All conditions precedent and approvals for the transaction were fulfilled on March 31, 2022.

Sybrin is a leading software solution provider helping predominantly financial services providers digitally transform and automate their business processes.

The company also integrates its software solutions into the core line of business systems of middle-market and large enterprises, with current clients such as Microsoft, ABSA, MTN, Bidvest Bank, Kenya Bankers Association, Nedbank and Old Mutual.

The industry giant has a footprint across 17 countries in Africa, the Middle East, the United Kingdom, Asia and Eastern Europe.

Hendrik Jordaan, President and CEO of 1K1V, said: "With Sybrin as part of the 1K1V and Crossfin consortium, we intend to expand Sybrin's footprint internationally through deploying our Three-Dimensional Capital and unlocking synergies opportunities across Africa in partnership with our other technology platform investments."

"Our partnership will ultimately connect Africa and the United States

through the sharing of talent and technology expertise while further strengthening the already staunch relationship with the Sybrin management team. The partnership will allow us to further bridge the two continents with tremendous opportunities and continue improving people's lives through creating and sustaining jobs."

Dean Sparrow, CEO and Co-Founder of Crossfin, an investment company that offers investors a blended exposure to technology investments in Fintech, said: "Now that we have officially partnered with 1K1V, together with Isaac Mophatlane, we anticipate an increase in collaborations within many African countries."

"Our partnership with 1K1V and Crossfin, allows our business to gain significant additional leverage and valuable insight into the South African, African, and U.S. markets. The partnership will allow us to further bridge two continents with tremendous opportunities that will open up economic opportunities for tens of thousands of people. Through our experience in African technology investments, the Sybrin customer base, and networks that are already established across Africa, this partnership will yield vast opportunities for cross-border collaboration and technological innovation," added Sybrin Group CEO Marius Mare.

INVESTORS

CDC Group becomes British International Investment

CDC Group, the UK's development finance institution and impact investor, has been formally renamed British International Investment (BII).

The organisation will invest between £1.5bn and £2bn per year in green infrastructure, technology and other sectors to support countries in Africa, Asia and the Caribbean.

Situated in seven locations across the Continent, BII has a portfolio value of over \$4bn, with over 600 local businesses.

Portfolio highlights include: Global Partnership for Ethiopia, FirstBank Nigeria, 14Trees, ETG, AfricInvest, Novastar, Zambeef, Equity Bank, Access Bank, Redstone Concentrated Solar Power Project among many more.

Nick O'Donohoe, CEO, said: "This is an incredibly significant milestone in the history of our company. British International Investment will build on CDC's legacy by inheriting its unparalleled experience of impact investing and deep-rooted knowledge of the markets in which

it invests.”

“We will continue to solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. And, we will help to alleviate poverty by building productive, sustainable and inclusive economic outcomes for those that need fair and transparent investment the most,” he said.

Founded in 1948, the UK’s development finance institution (DFI) invests patient, flexible capital to support private-sector growth and innovation.

In 2022, the DFI announced that it exceeded its pledge to invest £2bn in Africa over the last two years.

British International Investment has a portfolio value of \$4.2bn in Africa, with over 600 businesses in the portfolio.

British International Investment is at the heart of the UK Government’s international financing offer to Africa and other emerging economies.

It builds on a 74-year track record of forming strong partnerships with thousands of ambitious businesses to create positive social and economic outcomes for the countries in which it operates.

The impact investor will play a key role in the UK Government’s wider plans to mobilise up to £8 billion a year of public and private sector investment in international projects by 2025.

O’Donohoe added: “British International Investment is a strong, modern identity, which captures who we are and what we do. It com-

municates the increased breadth of what we do as an organisation. It also clearly defines us as a British institution that is working to bring not just capital but high standards and transparency to our investments. And it highlights our critical role as part of the UK Government’s international financing offer.”

Foreign, Commonwealth and Development Secretary, Liz Truss, said: “The revamped British International Investment is at the heart of Britain’s financing offer to low and middle income countries and our ambitious plan to mobilise up to £8bn of investment a year by 2025. We will provide reliable and honest sources of finance to low and middle income nations including in Asia, Africa and the Caribbean and at the same time deliver for people in the UK, creating jobs and export opportunities.”

British International Investment has a clear focus on helping to address the huge challenge that climate change presents across Africa.

At least 30% of its total investments over the next five years will be in climate finance – making it one of the largest such investor in African economies.

It has also set a new ambition to scale investment into a range of vital sectors, including clean infrastructure, digital transformation and earlier-stage, disruptive businesses that offer radical solutions to the key development challenges on the African continent.

The name change was first announced by the UK’s Foreign Secretary, Rt Hon Liz Truss MP, in November and comes into effect on April 4, 2022.

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Driving Africa's Transformation



In April, BluePeak Private Capital announced its second deal, investing \$20m in ieng, a pan-African provider of engineering and construction, operations and maintenance, and hybrid power solutions. **AGF's Anna Lyudvig** speaks with **Walid Cherif, Founder and Managing Director**, to learn more about the Fund, its investment strategy and investment opportunities in Africa.

AGF: WALID, PLEASE TELL US ABOUT BLUEPEAK PRIVATE CAPITAL.

WC: With a presence in Tunis, Nairobi and London, BluePeak Private Capital is an alternative asset management firm established in 2019. The firm was founded to fill a financing gap and focus exclusively on the provision of bespoke financing solutions for impactful businesses across Africa. BluePeak Private Capital's flagship fund, BluePeak Private Capital Fund SCSp is an impact-driven private capital fund that reached first close at \$116.5m in May 2021.

The Fund is backed by leading African development finance institutions including CDC Group, EIB, DFC, FMO, and the "Caisse des Dépôts et Consignations" CDC Tunisia. The final close of the Fund is expected to be held in Q4 2022.

AGF: WHAT'S YOUR INVESTMENT STRATEGY?

WC: BluePeak seeks to provide its investors with superior risk-adjusted returns and downside protection by investing in scalable businesses operating in Africa across several sectors through privately negotiated structured debt-like and equity instruments. We look to primarily invest in companies with the following characteristics: (i) solid market and strategic fundamentals, (ii) robust financial performance, and (iii) alignment with the Fund's ESG requirements and impact agenda.

The Fund provides vital growth capital to non-cyclical, growing firms, enabling them to accelerate innovation and transformation strategies and emerge from the pandemic stronger and more resilient.

BluePeak's flexible funding structures provide less restrictive solutions to a broad set of sponsors, entrepreneurs, owners, and financial investors in need of growth capital, acquisition, buy-out financing, and recapitalization capital.

BluePeak's expertise in structuring allows the team to offer a range of bespoke debt instruments, including mezzanine finance, preferred equity, convertibles, and senior debt. The average investment ticket size is \$15m and the fund lifecycle is 10 years.

AGF: WHAT'S YOUR APPROACH TO IMPACT INVESTING?

WC: BluePeak believes that ESG factors positively contribute to investment performance, as well as help build a more stable, sustainable business and inclusive global economy. In addition, BluePeak proactively identifies areas where positive impact can be achieved, ensuring alignment with its core impact themes: inclusivity, well-being and resilience.

BluePeak's investments are designed to strengthen the competitiveness of companies and economies, uplift quality of life and advance progress towards a just transition to net-zero and in particular as a 2X challenge Fund towards gender equality.

AGF: IN WHICH COUNTRIES/SECTORS DO YOU SEE INVESTMENT OPPORTUNITIES?

WC: The Fund invests across strategically diversified geographies and sectors driving Africa's transformation. The Fund principally invests in sectors that uplift the quality of life and strengthen industrial resilience and competitiveness, including education, manufacturing, logistics, FMCG, and pharmaceuticals.

The Fund's portfolio is currently composed of two investments, (i) Grit Real Estate Income Group, a breakthrough pan-African real estate platform and (ii) ieng group, a prominent service provider of end-to-end infrastructure solutions to blue-chip tower companies and mobile network operators across Africa.

The investment in Grit was earmarked to support the acquisition of Orbit Africa warehousing and manufacturing facility in Kenya which will contribute to accelerating the scale and transformation of industrial logistics in Africa. The investment in ieng supports the company's expansion plan across Africa, meeting growing consumer demand for telecom infrastructure services and boosting connectivity for last-mile access. The Fund recently signed its third investment consisting of \$15m in a pan-African pharmaceutical manufacturer and distributor of essential generic drugs.

AGF: HOW TO INCREASE THE FLOW OF INSTITUTIONAL CAPITAL INTO AFRICAN MARKETS?

WC: There is a significant and rising disparity between supply and demand in the provision of capital to SMEs in Africa, translating into a financing gap of \$421bn. The Multilateral Development Banks play an important role as catalysts for investments in African markets, often perceived are riskier by investors. We strongly believe that Africa is characterized by an encouraging backdrop of solid economic fundamentals, strengthened by the emergence of a large middle class and a demographic dividend. In addition, Africa needs to urgently address climate transition and adapt to the digital transition.

AGF: WHAT'S YOUR OUTLOOK FOR AFRICAN PRIVATE DEBT MARKETS?

WC: Private debt is nascent in Africa but grew rapidly over the last years. Our sourcing and deployment capabilities demonstrate an increasing need for financing in the markets where we operate as Covid-19 further exasperated the existing financing gap. Private equity will continue to play an important role but there is a strong case for a complementary role for private debt. SMEs require alternative bespoke and flexible financing solutions, that are less dilutive than private equity and less restrictive than bank financing, meeting businesses' unique and evolving needs for capital.

African Real Estate: Meeting with Grit's Bronwyn Knight



Bronwyn Knight (BK), CEO of Grit Real Estate Income Group, tells AGF about real estate investment opportunities in Africa, trends, the company's approach to investing and challenges

AGF: PLEASE TELL US ABOUT GRIT AND YOUR INVESTMENT STRATEGY.

BRONWYN KNIGHT (BK): Grit Real Estate Income Group has a primary listing on the main market of the London Stock Exchange and a secondary listing on the Stock Exchange of Mauritius.

Grit is focused on investing in, developing and actively managing a diversified portfolio of real estate assets, across carefully selected stable African countries with solid economic fundamentals (excluding South Africa). These assets are underpinned by predominantly US Dollar and Euro denominated (91.6% of Group income) long-term leases with blue chip multinational tenants (90% of Group income).

We have a high-quality real estate portfolio diversified over 54 investments, across eight African countries and five asset classes. Our office, light industrial and corporate accommodation sector assets, comprising more than 50% by value of the Group's property portfolio, remain robust and resilient. While demand at our hospitality sector assets is strong and improving as many European countries have now resumed trade and travel, and we are seeing increasing footfall and falling vacancies at our retail assets, which support the further enhancement of our portfolio valuation.

We're also creating significant further potential value through increasing Grit's capital allocation to risk mitigated, pre-funded developments that service existing and target multinational tenants, supported by our recent transactions in APDM and GREA (detailed below).

AGF: WHAT TRENDS DO YOU SEE AROUND AFRICAN REAL ESTATE?

BK: Whilst pandemic economic lockdowns impacted hospitality and retail the most, corporate offices, corporate accommodation, light industrial and logistics remained relatively unaffected. Supply chain disruptions actually increased demand for logistics and warehousing space, and will continue to outperform as a sector.

We expect a steady resurgence in retail and hospitality as travel and economic disruptions subside. We see significant opportunities and value creation from emerging sub-sectors including healthcare, corporate accommodation, and data centers.

In most countries across Africa, the "work-from-home" phenomenon had limited impact on corporate office leases as information and communications technology infrastructure and electricity supply aren't widespread, resulting in most corporates and their workforce returning to offices quickly, providing good support for the sector.

Sale-and-leaseback transactions are an emerging attractive real estate opportunity across Africa. These transactions allow large corporates to move their real estate assets off balance sheet by selling

them to a specialist landlord and leasing the asset back at market rates. These provide significant cash injections to the corporate for expansion, and these are often linked to significant accretive refurbishments/upgrades implemented by the new landlord/owner.

AGF: IN WHICH SECTORS DO YOU SEE OPPORTUNITIES?

BK: Supply chain constraints and the lack of A-grade logistics and warehousing supply are increasing rents in this sector, with growing occupational and investment demand.

The expected exponential growth in data consumption across Africa will stimulate demand for digital infrastructure, like datacenters and towers. These are increasingly attractive investments as construction of digital infrastructure is much quicker and considerably less capital intensive than with more traditional asset classes such as shopping centers or commercial offices. The rising demand for digital infrastructure assets has also changed its risk profile due to long-term leases with investment grade tenants.

Other emerging sub-sectors, such healthcare and corporate accommodation, will continue to expand driven by occupational demand, limited supply and investment growth.

AGF: WHAT ARE THE BIGGEST CHALLENGES YOU SEE IN ACHIEVING BETTER RETURNS?

BK: Further potential pandemic disruption. However, many European countries have now resumed and are resuming trade and travel links, and demand, specifically in our hospitality sector assets, continues to show strong signs of recovery. We continue to be encouraged by positive trends such as falling vacancies and increasing footfall in Grit's retail assets and the re-opening of the African borders to overseas tourists.

With our expertise in African real estate, and our team's experience and established relationships, we continue to optimize and recycle our assets and create value through proactive asset management. We're also increasing our exposure to risk-mitigated pre-funded developments to support further value growth across our core and expanded business.

AGF: WHAT CAN WE EXPECT FROM GRIT IN THE NEAR FUTURE?

BK: We're really pleased to have acquired a majority controlling interest in APDM, the asset manager for African property developer, Gateway Real Estate Africa (GREA). We also further increased our stake in GREA and have a clear roadmap that will see us purchase control of GREA by December 2022.

SA Hedge Fund Industry

Grows Assets to R86.93bn



Hayden Reinders,
Convenor of the ASISA Hedge Fund Standing Committee

The South African hedge fund industry ended 2021 with assets under management of R86.93bn, according to Association for Savings and Investment South Africa (ASISA).

This represents a healthy growth in assets of R13.66bn over the 12-month period.

The annual hedge fund statistics released by ASISA show that the nearly 19% growth in assets was achieved in spite of further consolidation and closure of funds, which reduced the number of hedge funds from 233 at the end of 2020 to 216 at the end of 2021.

Hayden Reinders, Convenor of the ASISA Hedge Fund Standing Committee, explains that the reduction in hedge funds continues to be driven by fund managers consolidating their product offerings into either Qualified Investor Hedge Fund structures or Retail Hedge Fund structures.

South Africa became the first country in the world to put in place comprehensive regulation for hedge fund products in April 2015. The regulations provide for two categories of hedge funds, namely Qualified Investor Hedge Funds and Retail Hedge Funds.

Qualified Investor Hedge Funds require a minimum investment of R1m and are open to investors with a solid understanding of the investment strategies deployed by hedge funds and the associated risks. Retail Hedge Funds, on the other hand, are more strictly regulated in terms of the investments and the risks that they are allowed to take and are open to all investors who can afford the average minimum lump sum investment amount of R50 000.

MUTED NET INFLOWS DESPITE GOOD PERFORMANCE

Reinders reports that while hedge funds have delivered good returns on average, they attracted muted net inflows of R0.59bn for the 12 months ended December 2021. He adds that following the net outflows of R2.45 billion experienced by the industry in 2020, the return to net inflows was a positive and welcome change.

He points out, however, that the net inflows in 2021 were driven exclusively by Retail Hedge Funds, which attracted net inflows of R1.63bn. Qualified Investor Hedge Funds on the other hand recorded

net outflows of R1.04bn.

Reinders explains that hedge funds continue to be hamstrung by Board Notice 90, which prevents long-only unit trust portfolios from investing in hedge funds even though they are also regulated as collective investment schemes.

“ASISA has been engaging with the Financial Sector Conduct Authority on this and we expect the regulator to release a draft standard for public comment soon,” he says.

“We also expect the amendments to Regulation 28 of the Pension Funds Act to be finalised shortly, which will hopefully provide the hedge fund industry with its own percentage allocation in pension fund portfolios, rather than sharing in a broader allocation to alternative assets,” he adds.

Reinders says that once these regulatory changes have been implemented, hedge funds will be able to operate on a more level playing field, which should result in healthy inflows.

HEDGE FUND STRATEGIES

Hedge funds are designed to mitigate the impact of market volatility on capital by applying specialist strategies within the different asset classes. Hedge funds in South Africa are classified according to their investment strategies: **Long Short Equity Hedge Funds; Fixed Income Hedge Funds; Multi-Strategy Hedge Funds; and Other Hedge Funds** (portfolios that apply strategies that do not fit into any of the other classification groupings.)

The most popular hedge fund strategy in South Africa is “equity long/short”. At the end of 2021, 56.9% of retail money was invested in Long Short Equity Hedge Funds and 53.5% of qualified investor money.

	RETAIL FUNDS QUALIFIED FUNDS	QUALIFIED FUNDS % OF ASSETS
Long Short Equity	56.9%	53.5%
Fixed Income	30.7%	6.7%
Multi-Strategy	12.3%	38.4%
Other	0.1%	1.4%

SALIENT NUMBERS	QUALIFIED INVESTOR HEDGE FUNDS		RETAIL HEDGE FUNDS	
	2021	2020	2021	2020
Number Of Funds	116	120	100	113
Assets Under Management (Aum)	R53.68 bn	R46.33 bn	R33.25 bn	R26.94 bn
Percentage Of Aum	62%	63%	38%	37%
Net Annual Flows	-R1.04 bn	- R1.39 bn	R1.63 bn	- R1.06 bn

Angola

Taps Eurobond Market



By Tiago Bossa Dionísio, Assistant Director,
Eaglestone Securities

Angola raised \$1.75bn in overseas markets this month following three other Eurobond issues in 2015, 2018 and 2019. The government said that \$750m of the proceeds from this debt sale will be used to buyback existing Eurobonds due in 2025 and 2028 and the remainder to finance its budget.

The country was the second African nation to tap the international debt market since the start of the war in Ukraine, with Nigeria raising \$1.25bn in March through the issuance of a 7-year Eurobond at 8.375%. Angola's 10-year debt operation was priced at 8.75%, which is reportedly less than initial guidance, and was more than two-times oversubscribed. Also, the amount raised was lower than the projected figure of around \$2.8bn announced earlier this year by the government in its annual debt issuance plan.

In our view, this means that Angola could go back to the Eurobond market this year, but only after the general elections scheduled to take place in August. This Eurobond issue follows the conclusion of Angola's 3-year economic and financial assistance program with the IMF in December 2021. Total disbursements in the program amounted to about \$4.5bn.

We believe the IMF program was largely successful in improving Angola's economic and fiscal situation. After a 5-year recession (2016-2020), real GDP in the country advanced by a modest 0.7% in 2021 (from a contraction of -5.6% in 2020) and is expected to expand by 2.5-3.0% this year. Public debt levels also came down significantly to a level close to 80% of GDP in 2021 (vs. about 130% of GDP in the previous year). Higher oil prices also helped improve the country's external accounts and stabilize the kwanza (about 70% of total public debt is denominated in foreign currency).

Angola's latest achievements triggered the three main ratings agencies to upgrade their long-term credit ratings of the country in recent months. Moody's was the first to upgrade by lifting its rating to "B3" from "Caa1" and maintain a "stable" outlook in September 2021. Already this year, Fitch upgraded Angola's rating to "B-" from "CCC", while S&P's lifted its rating to "B-" from "CCC+". Both agencies also kept a "stable" outlook on the country's debt. The ratings agencies said their decision was driven by their assessment that Angola's fiscal metrics as well as its liquidity and funding risks were likely to improve.

This view is supported by the recovery in oil prices and a stable exchange rate, which will allow the positive impact of the government's fiscal consolidation efforts and structural improvement in debt and public finance management to be reflected in a lower public debt burden. The ratings agencies expect the debt-to-GDP ratio to continue to fall and approach 60% by 2025.

Overall, Angola is currently on a much better trajectory than it was prior to the start of IMF program. The impact of the Covid-19 pandemic has diminished thanks to the gradual lifting of containment measures and the contribution from higher oil prices. Growth in the non-oil sector has shown clear signs of recovery and is likely to contribute further to the country's economic growth over the medium to long-term.

That said, the continued implementation of growth-enhancing structural reforms remains crucial as does fiscal consolidation to lower public debt levels. The latest upgrades from the ratings agencies reflect the country's improved situation, while the strong demand in the latest Eurobond issue shows that Angola clearly remains on investors' radar screens when looking at Sub-Saharan Africa.

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	Mar.	3-Month	1-Year
Botswana	2.46%	4.76%	-6.08%
Egypt	-13.94%	-11.93%	-2.41%
Ghana	-10.00%	-14.63%	-12.36%
Kenya	-1.32%	-0.51%	4.98%
Mauritius	-1.06%	-1.33%	-10.10%
Morocco	-1.07%	-4.06%	-4.40%
Namibia	5.87%	8.32%	6.57%
Nigeria	1.93%	7.97%	8.97%
South Africa	6.23%	11.31%	13.70%
Tanzania	0.81%	6.67%	18.51%
Uganda	-0.33%	5.69%	24.87%
Zambia	-3.45%	-8.32%	85.02%

Source: S&P Dow Jones Indices

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	Mar.	3-Month	1-Year
Ghana	-9.31%	-18.03%	3.47%
Kenya	-2.56%	-7.00%	2.39%
Malawi	2.52%	2.70%	42.62%
Mauritius	0.86%	2.32%	29.69%
Morocco	-3.06%	-8.86%	5.43%
Namibia	4.47%	6.75%	28.41%
Nigeria	-1.83%	1.53%	15.02%
Rwanda	0.56%	0.22%	30.70%
South Africa	8.63%	19.38%	15.60%
Tanzania	-1.76%	12.01%	18.14%
Tunisia	-1.96%	-2.88%	-6.36%
Uganda	-0.76%	-4.76%	-5.48%
Zambia	2.83%	12.36%	175.03%

Source: S&P Dow Jones Indices

MARKET COMMENTARY:

African PE deals reach record high in 2021

The total value of private capital deals reported in Africa reached a record high of \$7.4bn, according to AVCA's 2021 Annual African Private Capital Activity Report. This represents a 118% increase compared to \$3.4bn registered in 2020, surpassing the annual average deal value of \$4bn between 2016 and 2020 (+85%).

This signifies the gradual maturation of private investment in Africa, which rose at 13% (CAGR 2016-2021).

The findings are a testament to the success and visionary work of firms whose pioneering missions encourage the growth of African economies through digital transformation, innovation with finance, climate-smart agriculture - and attract local and global investments.

In 2021, the total volume of private capital deals reported in Africa was 429, a 66% increase compared to 258 deals recorded in 2020 - exceeding the annual average deal volume of 215, experienced between 2016 and 2020 (+100%).

Overall, the industry's deal activity rose to 19% (CAGR 2016-2021).

The growth in deals demonstrates a private capital industry maturing as businesses and economies across the continent transition from resilience to recovery.

Over the last two decades, Africa's private capital landscape has established itself as an increasingly attractive and progressive region for private investment. As such, private capital fundraising has mirrored the trend of private capital deals - reaching a record level of \$4.4bn in 2021, a 4x year-on-year increase, which also exceeds the annual average over the past five years by 63%.

The report reported that \$18bn was the total value of final closed private capital funds between 2016 and 2021.

By providing a detailed overview of the market, the AVCA report includes critical insight into doing business in West, Southern, East, and North Africa, with insight into the deal sizes, economic landscape, and regulatory environment across multiple jurisdictions.

The report finds that in 2021, West Africa attracted the largest share of deals at 33%, followed by Southern Africa (20%) and North Africa (17%). The report also found that large multi-regional deals across the continent accounted for the largest share by value at 40% in the same year.

Financials was the most active sector by volume (30%) and attracted the largest share of deal value (39%) during the last year. The rise of fintech contributes to the sector receiving the largest share of deals.

With several traditional banks closed during the pandemic, many people turned to mobile money, digital banking applications and remittances to help support their families' livelihoods and financing needs - data from the World Bank revealed that remittance inflows to Sub-Saharan Africa rose in 2021 by 6.2% to \$45bn.

The trend supports the sector's growth in Africa as Financials' share of deal volume and value climbed to 24% and 29% in 2019-2021, from 13% and 7% respectively in 2016-2018.

Between 2016 and 2021, Financials (20%), Consumer Discretionary (15%), Industrials (12%), and Information Technology (12%) were the most active sectors by volume.

Overall, Financials and Utilities were the largest sectors by value, attracting 19% and 18% respectively from 2016 to 2021.

In total, 36 African PE exits were reported between 2021, a 13% increase compared with 2020. This increase reflects the resilience of the industry returning to onward growth. In line with trends found in 2020 by AVCA, exit to Trade Buyers was the preferred exit route (50%) in 2021 on the continent.

Sale to PE and other financial institutions, the second exit mean, represented 31% of the total number of exits reported in 2021 - with exits by public offering accounting for 3% of the total volume of exits reported in Africa over the course of 2021.

Source: AVCA

PRIVATE EQUITY FUNDS & DEALS

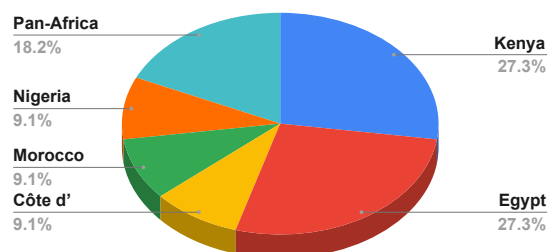
(as of 31st March 2022)

DEALS

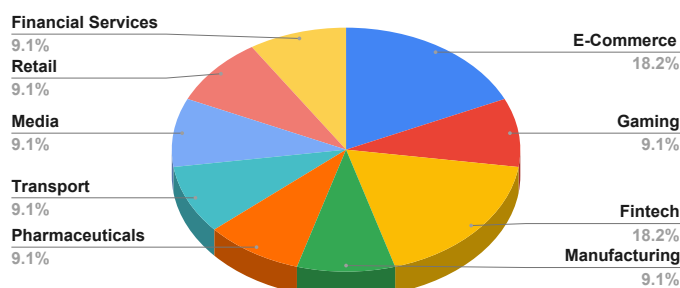
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
4DX Ventures // JAM Fund, Breyer Capital, Chandaria Capital, TO Ventures, Golden Palm Investments, FirstCheck Africa, and DFS Lab	Tushop	E-Commerce	Kenya	Pre-Seed	\$3m
4DX Ventures // Darwazah Capital, Golden Palm Investments, P1 Ventures	Eksab	Gaming	Egypt	Seed	\$3.7m
A15	FlapKap	E-Commerce	Egypt	Venture Capital	\$1.2m
AfricInvest, MUFG Innovation Partners, Latitude and Kreos Capital	Moove	Fintech	Pan-Africa	Series A2	\$105m
Amethis	SIBM	Manufacturing	Côte d'Ivoire	Growth Capital	Undisclosed
Development Partners International (DPI) and CDC Group	KELIX bio		Morocco	Buyout	\$200m
Greenhouse Capital	inYep!	Fintech	Nigeria	Pre-Seed	\$1.5m
InfraCo Africa	Globology	Transport	Kenya		\$3.8m
MaC Venture Capital	Big Cabal Media	Media	Pan-Africa	Seed	\$2.3m
Tana Africa Capital and KITEA Group	Furniture Palace	Retail	Kenya	Buyout	Undisclosed
Vantage Capital	Compass Capital	Financial Services	Egypt	Mezzanine	\$10m

DEALS BY COUNTRY



DEALS BY INDUSTRY



FUNDRAISING

Company	Fund	Geography	Style	Sectors	First close (\$)	Final close (\$)	Target size (\$)
Injaro	Ghana Venture Capital Fund	Ghana	Equity, quasi equity or debt	Food & Agribusiness, Education, Inclusive Financial Services, Healthcare, Manufacturing and Industrial Services	GHS75M		GHS150m

EXITS

Company	Divestment	Industry	Country	Buyer	Nature of exit
Helios Investment Partners	Axxela	Gas	Nigeria	Sojitz Corporation	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 2022-03-31)										
-4.55	-3.67	12.04	-4.77	-1.71	326.00 (04/21)	Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
Absa Africa Equity Fund (as-of 2022-04-20)										
-2.96	-0.02	16.56	0.45	4.95	16.74 (02/22)	Equity	African region	South Africa	Unit Trust	10/16
African Domestic Bond Fund (as-of 2022-03-31)										
-1	-2.5	1.4	26.9		38.90 (02/22)	ETF - local currency FI	African region	Mauritius	Open-End	9/18
African Lions Fund (as-of 2022-03-31)										
6.1	-1.41	25			15.64 (03/22)	Equity	SSA ex-SA	BVI	Open-End	10/20
Allan Gray Africa Bond Fund (as-of 2022-03-31)										
-1		2.7	5.4	8	382.00 (03/22)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa Equity Fund (as-of 2022-03-31)										
8.7		13.7	6.4	12.2	236.76 (03/22)	Equity	African region	Bermuda	Open-End	07/98
Allan Gray Africa ex-SA Equity Fund (as-of 2022-03-31)										
3.44	-3.67	15.43	7.24	11.77	502.00 (02/22)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Alquity Africa Fund (as-of 2022-04-20)										
-0.83	-0.74	8.94	-1.47	-0.65	7.21 (02/22)	Equity	African region	Luxembourg	SICAV	6/10
Altree Capital - Africa Opportunities Fund (as-of 2022-02-28)										
-3.4	-3.11	7.13	19.97			Equity	African region		Open-End	6/06
Arisaig Africa Consumer Fund (as-of 2022-03-31)										
0.95	2.37	-2.35	-42.57	-29.7	1.30 (03/22)	Equity	African region	Mauritius	Open-End	12/07
Bellevue Funds Lux - BB African Opportunities (as-of 2022-04-20)										
0.61	-1.49	4.26	-9.63	6.88	64.00 (03/22)	Equity	African region	Luxembourg	SICAV	6/09
Blue Clay Pan Africa Fund (as-of 2021-10-31)										
12.91	4.16				13.05 (10/21)	Equity	African region	Cayman Isl.	Open-End	03/19
Commonwealth Africa Fund (as-of 2022-04-20)										
16.67	5.83	21.99	7.82	4.22	3.89 (03/22)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2022-03-31)										
-3.59	-11.01	4.98	0.58	6.09	390.76 (07/21)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
DWS Invest Africa (as-of 2022-04-20)										
-0.46	-6.17	7.1	-0.27	-0.36	34.45 (03/22)	Equity	African region	Luxembourg	SICAV	07/08
EFG-Hermes MEDA Fund (as-of 2022-04-20)										
5.11	9.38	46.53	20.73	12.94		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Emerging Africa Bond Fund (as-of 2022-03-31)										
-5.36					2.50 (03/22)	Fixed Income	African region	Mauritius	Open-End	09/16
Enko Africa Debt Fund (as-of 2022-03-31)										
-3.61	0.25	3.97	15.95	15.1	768.90 (03/22)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2022-04-20)										
-41.07	3.27	-34.88	-8.45	-3.08	288.09 (03/22)	Equity	EMEA	Luxembourg	SICAV	06/07

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
Imara Africa Fund (as-of 2022-03-31)										
-7.5	-4.14	-1.39	3.23	3.92		Equity	African region	Cayman Isl.	Open-End	04/09
Imara African Opportunities Fund (as-of 2022-03-31)										
-10.47	-4.14	-1.39	3.23	3.92		Equity	African region	BVI	Open-End	6/05
JPMorgan Funds - Africa Equity Fund (A) (as-of 2022-03-31)										
10.9	4.68	11.79	4.59	4.85	155.11 (04/22)	Equity	African region	Luxembourg	SICAV	5/08
Laurium Limpopo Master Fund (as-of 2022-03-31)										
-8.95	-6.86	-3.5	-4.46	3.91	168.90 (03/22)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2022-03-31)										
-9.24	-7.02	2.03	-3.49	1.01	92.00 (03/21)	Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2022-03-31)										
-1.9	-5.2	1.3	17.1	34	11.78 (02/22)	Fixed Income	African region	Mauritius	Open-End	2/14
Ninety One Premier - Africa Fund A (as-of 2022-03-31)										
-16.04	-0.34	-48.66	-22.81	-13.59	0.82 (03/22)	Equity	African region	Guernsey	Open-End	01/07
Old Mutual African Frontiers Fund (as-of 2022-03-31)										
-9	-7.12	9.49	1.26	6.7	291.00 (04/21)	Equity	Africa ex-SA	Ireland	Open-End	5/10
Optis African Frontier Fund (as-of 2022-03-31)										
-7.22	-3.96	3.18	0.35		40.51 (03/22)	Equity	African region	BVI	Open-End	8/09
Robeco Afrika (as-of 2022-03-31)										
0.7	-1.85	17.1	5.94	5.6	28.40 (03/22)	Equity	African region	Netherlands	Open-End	6/08
Rudarius Africa Fund (as-of 2022-03-31)										
-14.77	-7.36	-8.8	-6.3	-1.39	30.00 (03/21)	Equity	Africa ex-SA	South Africa	Open-End	06/14
Sanlam Africa Equity Fund (as-of 2022-03-31)										
1.44	-2.14	14.92	4.71	7.91		Equity	Africa ex-SA	Ireland	Open-End	07/15
Sanlam Centre Africa Equity Fund (as-of 2022-03-31)										
-6.18	-5.32	-1.03			62.82 (03/22)	Equity	Africa ex-SA	Cayman Islands	Open-End	05/19
Sanlam Centre Sub Sahara Africa Equity Fund (as-of 2022-03-31)										
-1.85	-3.04	0.79	-4.53	-1.79	53.17 (03/22)	Equity	Sub-Saharan ex.SA	Cayman Islands	Open-End	07/08
Steyn Capital Africa Fund (as-of 2022-03-31)										
0.72	-3.7	19.38	0.88	7.18	164.00 (03/22)	Equity	Africa ex-SA	Malta	SICAV	09/11
Sustainable Capital Africa Alpha Fund (as-of 2022-03-31)										
4.16	-2.07	9.31	5.56	1.11	300.30 (04/21)	Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2022-03-31)										
-5.76	-2.92	0.45	-2.69	1.05	9.60 (04/21)	Equity	Africa ex-SA	Holland	Open-End	03/08
Threadneedle Lux - Stanlib Africa Equity (as-of 2022-04-20)										
0.47	1.31	6.42	-0.76	1.73	1.54 (02/22)	Equity	African region	Luxembourg	SICAV	8/14
T. Rowe Price Africa & Middle East Fund (as-of 2022-03-31)										
11.53	4.84	29.44	12.33	10.41	176.90 (03/22)	Equity	MENA & SSA	United States	Open-End	10/11

Source: Company Data, Morningstar



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