

# AFRICA

## GLOBAL FUNDS

# ANGOLAN CAPITAL MARKETS

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**I**n this month's issue we look into Angolan capital markets. According to Tiago Dionísio of Eaglestone Advisory, Angolan legislation establishes that there are two types of regulated markets in the country: the stock exchange market and the organized over-the-counter (OTC) market. Learn more on pp.14-15.

In this month's issue we also speak with Olivier Granet and David Damiba of Kasada Capital Management about the firm's investment strategy and trends that are driving the hospitality industry in Africa. Read on p.11.

In addition, Léa Aouston, Temenos Multifonds explores why a new approach is needed in the fund accounting area. She says that getting fund accounting right is much more than a "tick box" internal exercise for NAV production. Read on p.13.

This month, we also hear from Shamima Mallam-Hassam of Trident Trust's Mauritius office who discusses the benefits of a collaborative partnership and the role a fund administrator plays on p.12.

Finally, Mike Brown of etfSA.co.za shares his analysis of the South African Exchange Traded Product Industry on p.20.

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Best regards,

**Anna Lyudvig**  
 Managing Editor

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# Acre Impact Capital's Export Finance Fund Reaches First Close



**Hussein Sefian,**  
CEO  
**Acre Impact Capital**

**A**cre Impact Capital, a private-debt impact investment manager, has announced the first closing of its Export Finance Fund I with commitments of approximately \$100m.

The Fund that is targeting \$300m has attracted a diverse group of investors including institutional investors, major Development Finance Institutions (DFIs), family offices and impact-first investors such as Trimtab Impact and Ceniarth.

DFIs include the European Investment Bank and FSD Africa Investments.

The Fund has also secured significant commitments from several African investors, reflecting the attractive risk-return profile and expected impact of the strategy.

"We are incredibly proud to have received support from our limited partners, who have backed our pioneering Export Finance Fund I.

The current credit environment creates attractive opportunities for discerning investors, while addressing the urgent need for funding for climate-aligned infrastructure projects," said Hussein Sefian, CEO of Acre Impact Capital.

Addressing the urgent need for climate infrastructure investment Acre Impact Capital's innovative Export Finance Fund I is the first fund of its kind leveraging the transaction facilitation role of export credit agencies (ECA) for impact.

Export finance delivers long-term debt financing guaranteed by

official ECAs, allowing project sponsors to significantly reduce the cost of debt by obtaining attractive funding on ECA-backed financing and extending tenors up to 22 years.

In doing so, ECAs significantly enhance project affordability and crowd-in private capital.

The Fund addresses a critical financing gap for African climate-aligned infrastructure. While commercial banks typically fund the tranche guaranteed by an ECA (worth 85% of the project value), funding for the remaining 15% commercial debt tranche has been increasingly scarce. By providing specialist funding for this tranche, the Fund will unlock transactions and mobilise \$5.6 of private sector capital for each dollar invested.

"The Fund aims to invest in 15-20 projects in four thematic areas: (i) Renewable Power; (ii) Health, Food and Water Scarcity; (iii) Sustainable Cities and (iv) Green Transportation. These projects will deliver significant environmental and social impact while providing investors with desirable diversification," Sefian said.

The Fund is committed to gender smart investing and seeks to ensure at least 30% of its portfolio of projects meet the 2X Criteria, increasing the number of women represented across its investment portfolio.

In addition, Acre Impact Capital commits to promote and maintain gender balance at the fund manager and creating a culture that values diversity and inclusion.

Acre Impact Capital is a recipient of Technical Assistance from United States Agency for International Development (USAID)'s Scaling-Up Renewable Energy (SURE) programme to support the integration of the gender equality and social inclusion in its investment processes.

## FUNDRAISING

# Adenia Capital V Closes at \$470m Hard Cap

**A**denia Partners, a private equity firm focused on growth opportunities in Africa, has successfully closed its fifth fund, Adenia Capital V at its \$470m hard cap.

The Fund, which was significantly oversubscribed, attracted commitments from new and existing investors globally.

More than half (60%) of commitments secured for AC(V) funding came from historical investors, including DEG, EIB, FMO, IFC, Proparco, SIFEM

and South Suez.

Existing investors on average more than doubled their commitments, citing Adenia's strong financial and impact returns and consistency of achieving the targeted strategy as reasons for returning and expanding their relationship.

The remaining 40% of commitments include new DFI relationships, such as the US International Development Finance Corporation (DFC),

## Deals & Exits

Findev Canada, and Norfund.

Notably, the fund also attracted large local institutional investors, including South Africa's Public Investment Corporation as well as Kenyan and Ghanaian pension funds, who joined European family offices, impact investors (such as Blue Earth), and a US foundation.

"We are very pleased by the level of interest in our new fund, which is a great validation for our proven strategy and for the investment opportunities available in Africa," said Stéphane Bacquaert, Managing Partner, Adenia Partners.

"We would like to thank our loyal investor base, many of whom have been investing in Adenia during its journey which began more than 20 years ago, and we would like to welcome our new investors and thank them for the commitment they have shown to Adenia. We look forward to continuing to develop deep, long-term relationships with them. We are particularly pleased to have attracted African pension funds, given our hope to increase the amount of domestic capital flowing into the African private equity industry."

Fund V continues Adenia's long-term investment strategy of making control investments in medium-sized companies across Africa with proven business models that demonstrate ample room for operational and ESG improvements.

The Fund is sector-agnostic with financial services, agribusiness, renewable energy, consumer goods, telecommunications, healthcare and education, business services, light manufacturing, and specialty distribution as areas of particular focus.

AC(V) is larger than its predecessor funds, AC(IV) (€230m) and

AC(III) (€95.8m), reflecting Adenia's continued responsible growth and geographic expansion across the continent in pursuit of the most attractive market opportunities.

As Adenia's first completely pan-African fund, Fund V will leverage the firm's extensive on-the-ground presence with seven offices on the continent.

"Amid the impressive oversubscription of this new fund, it is incredible to look back on Adenia's journey over the last two decades, which started with the €10 million raised for our first fund back in 2003," said Alexis Caude, Managing Partner at Adenia Partners.

"Through that time, our approach has remained constant, and we've continued to grow our presence to identify and build market leaders, creating lasting value across Africa."

Adenia has already completed two investments and announced a third from Fund V, including Enfin, a solar financing solutions provider serving commercial and industrial clients across South Africa, and The Courier Guy, a leader in last-mile delivery and express parcel (CEP) services in South Africa.

Most recently, the firm announced the signing of the acquisition of 12 subsidiaries of Air Liquide in West and Central Africa and the Indian Ocean.

This significant transaction involved dealing with the global market leader in its industry, and was closely scrutinised by Air Liquide's senior management team, who were intent on finding a trusted new owner that would continue the responsible growth and development of the business.

### DEALS

# Pan-African Investment Firms Back Zeepay



**Andrew Takyi-Appiah,**  
Founder & Managing Partner  
**Zeepay**

**A**frica50, Oikocredit, Injaro, Verdant Capital Hybrid Fund, and I&P, have invested in Zeepay Ghana, a fast-growing payment infrastructure company with a footprint in more than 20 countries globally.

The funds will go towards expanding Zeepay's operations in Africa and the Caribbean.

Verdant Capital Hybrid Fund has completed its fourth investment in just over two years since its closing, with a \$3m preferred equity investment in Zeepay.

Kwabena Appenteng, Director at Verdant Capital, said: "Zeepay offers investors like Verdant an attractive combination of hard currency earnings through its remittance-to-the-wallet business and growth opportunities across the continent."

"Testament to the strength of the management team at Zeepay: the business reached profitability earlier in its lifecycle than other fintechs and has maintained strong profitability while growing and diversifying its footprint and revenue base."

"Africa50 is delighted to be partnering with Zeepay to support its leading role in the digital payments infrastructure space on the African continent and beyond. Foreign currency inflows from remittances are the lifeline for many African economies with sizable diaspora populations, especially in the current economic environment. Zeepay provides a local, affordable, secure, and convenient money transfer solution for the industrious African diaspora to support their loved ones," said Raza Hasnani, Managing Director and Head of Infrastructure Investments at Africa50.

"Oikocredit is delighted to partner with Zeepay as we grow our global portfolio of impactful fintechs. Remittances are essential to financial inclusion for many households in Zeepay's countries of operation, and

its digital wallets help overcome challenges around transparency, cost, convenience, speed and safety for both senders and receivers of funds. We are pleased to partner with a fast-growing African business led by a capable team, and look forward to supporting its growth," said Samuel Kibiri, Equity Officer for Africa at Oikocredit.

Zeepay specialises as a Mobile Money Challenger and is currently the biggest non-telco Mobile Money Operator in Africa by balance sheet and revenue.

Since its inception in 2014, Zeepay has specialised in facilitating the instant settlement of remittances into mobile money wallets in Africa and the Caribbean on behalf of leading international money transfer organizations (IMTOs). Last year, the Company settled over 10 million remittance transactions worth over \$3bn in value.

It has Mobile Money Licenses in six countries: Ghana, Zambia, Ivory

Coast, Sierra Leone, Gambia, and Barbados.

Zeepay also terminates remittances into Mobile Money Wallets across all networks, including its own wallets available in six countries. Zeepay has a financial inclusion partnership with UNCDF.

The company has over 200 staff, with offices across Africa, Europe, and the Caribbean.

Andrew Takyi-Appiah, Managing Director of Zeepay, said: "We would like to thank all our stakeholders, including our customers, shareholders, and staff for all the support in bringing this round to a close. The raise will greatly assist us to complete our on-going expansion drive into the rest of Africa. Our short to medium plan is to expand our mobile money reach into a minimum of 10 countries within the next 2 years leveraging remittances in partnership with MoneyGram and delighted to see this vision come through."

## DEALS

# Vantage Capital Invests R346m into Procera Group



**Crispin Sonn,**  
Chairman  
**Procera**

**V**antage Capital has made a R346m investment into Procera Group, a South African business process outsourcing (BPO) services provider serving both South African and international clients.

Vantage's investment comprises of the acquisition of a significant minority equity stake from the Procera founders as well as the provision of a mezzanine facility to support future strategic acquisitions by Procera.

Roshal Ramdenee, Associate Partner at Vantage Capital, said: "Vantage sees a tremendous opportunity for both job creation as well as a positive economic impact as Procera continues its rapid international expansion and drives market leading technological solutions in the BPO space. Vantage is proud to partner with a very capable management team and committed long term investors."

Founded in 1990 as a debt recovery solutions provider, over the last three decades Procera has evolved into an integrated BPO services group offering support solutions to its clients via several distinct brands along the customer life cycle.

Procera currently services over 50 local and international blue-chip clients across key industries such as Retail, Financial Services, Energy and Telecommunications in geographies including South Africa, Namibia, United Kingdom, United States and Australia.

Procera's investment into its proprietary contact centre software, deployment of emerging technologies such as predictive analytics, generative AI and omnichannel communications continue to improve

productivity and the customer experience.

With over 2700 employees, Procera is a significant driver of impact through employment, training and skills development, especially for women and youth in the communities within which it operates.

South Africa is consistently ranked in the top two BPO locations globally driven by factors including customer experience supported by an empathetic English-speaking workforce and cultural affinity to various source markets, a favourable time zone, and its abundance of youth talent.

The South African BPO market is expected to achieve a 13% CAGR over the next five years ahead of global growth forecasts for the sector of 8.5% CAGR. The sustained global growth is driven primarily by corporates seeking to effectively manage costs and streamline business functions.

Crispin Sonn, Chairman at Procera, said: "We are very pleased to have the long-term support of Vantage and its team of seasoned investors as we look to grow the Procera's business services footprint into international markets."

Warren van der Merwe, Managing Partner at Vantage Capital, added: "It is rare in the current economic environment to find fast-growing South African businesses and ones that are truly competitive in developed markets. Procera's founders, shareholders and management team have built an admirable business to date, and we are excited to invest into Procera's next stage of growth and development."

PWC acted as financial advisor to the transaction, Werksmans acted as legal counsel for Vantage. Other advisors to the transaction included Step Advisory, Ernst and Young, Webber Wentzel, Eversheds, STBB, and IBIS Consulting.

## EXITS

# DPI, BII And EBRD Exit KELIX Bio to Mubadala



**Hocine Sidi-Said,**

CEO

**KELIX bio**

Development Partners International (DPI), British International Investment (BII), the UK government's Development Finance Institution, and the European Bank for Reconstruction and Development (EBRD), have sold 100% of the shares in KELIX bio, an emerging markets biopharmaceuticals platform, to Mubadala Investment Company (Mubadala), the Abu Dhabi investor with over \$276bn in assets under management.

The close of this transaction is subject to regulatory approval.

Sofiane Lahmar, Partner at DPI commented: "We are delighted to announce the sale of KELIX bio to Mubadala. Since we established the business with our partners, we have worked closely with management to create a unique buy-and-build platform that increases the availability and affordability of quality drugs across Africa and the Middle East. The successful growth of KELIX bio, and its international expansion, is testament to the long-term strategic vision and execution capabilities of Co-Founders Hocine Sidi-Said and Alhadi Alwazir. We firmly believe that KELIX bio has the right foundations from which to build and continue its growth story under new ownership. We wish Mubadala and KELIX bio management continued success with the business."

KELIX bio was co-founded in November 2020 by investors DPI, BII, EBRD, and executives Hocine Sidi Said and Alhadi Alwazir, in a groundbreaking deal that created the first pan-African biopharmaceutical platform committed to broadening access to vital specialty generic drugs across emerging markets globally.

Following its creation and initial capital injection, KELIX bio raised further funding from DPI (both directly and indirectly through a DPI-managed vehicle which raised capital from Proparco, DEG, FMO and US-based private sector and institutional investors) and BII.

This enabled KELIX bio to invest further in new acquisitions, cross-market distribution channels, the research and development of new drugs, and provided the company's leadership with additional sector and emerging markets expertise to execute their ambitious impact-focused strategy.

Frederic Lucenet, Global Head of Manufacturing and Services at EBRD, said: "KELIX bio has played a vital role in increasing access to life-saving medications while lowering the costs of products. We have been pleased to play an important part in the launch of the platform to accelerate the delivery of critical drugs in Egypt and Morocco, and this underscores our commitment to developing the pharmaceutical industry in our countries of operation."

Led by CEO Hocine Sidi-Said, Chief Strategy Officer and Head of Corporate Development Alhadi Alwazir, and COO Dr. Essam Farouk, KELIX

bio was launched as a first-of-its-kind pan-African pharmaceuticals platform and has grown to become a pivotal manufacturer in the Middle East Region and across emerging markets.

Since 2020, it has made several key investments and now consists of four subsidiary companies Adwia (Egypt), Celon Labs (India), Kelix Bio Malta (Malta) and PHI (Morocco) operating across six countries.

Acquired by KELIX bio in 2020, Adwia is one of Egypt's leading generics pharmaceutical companies, exporting across the Middle East, Eastern Europe, and Africa.

Celon Labs, acquired in 2020 and based in Hyderabad, India, manufactures innovative and cost-efficient oncology and critical care treatments, exporting to more than 42 countries globally. PHI, acquired in 2022, is one of Morocco's largest producers of generic pharmaceuticals.

The platform also acquired KELIX bio Malta in 2022, a state-of-the-art facility producing EU approved oncology injectables at a US FDA and EMA approved manufacturing site.

KELIX bio's scale, experienced management, and synergistic technology transfers have driven rapid growth of the company's pan-African and Middle Eastern business.

The platform's revenues now exceed \$150m and the critical medicines it produces are available in over 50 countries across Africa, Latin America, Southeast Asia and the Middle East.

KELIX bio has had a significant impact on UN SDG 3.0, facilitating improved access to critical specialty generic drugs in Africa, offering 105 oncological products, 64 anti-infectives, and 94 treatments for central nervous system and cardiovascular conditions to 20 countries on the continent.

KELIX bio customers are able to access drugs at a materially lower cost than competitors. This has been particularly important for Africa given the pharmaceutical sector has historically been significantly underserved there.

DPI invested from its flagship third fund ADP III. The fund, which closed at US\$1.15 billion including dedicated co-investment in 2021, is one of the largest dedicated to investing global capital into Africa.

Hocine Sidi-Said, Chief Executive Officer of KELIX bio, said: "KELIX bio has transformed into a leading pharmaceutical platform that has changed the way specialty medicines are made available in emerging markets. Having successfully invested in broad-based and high-growth specialty generics assets, in high-demand areas such as oncology, diabetes, and specialty injectable forms, KELIX bio has established an excellent operational track record. DPI, BII, EBRD and wider investors have been very supportive, providing the investment KELIX bio needed to achieve our ambitions."

Samir Abhyankar, Managing Director at BII, added: "We are proud to have helped develop and grow KELIX bio into a highly

impactful pharmaceutical business operating in our core geographies of Africa and South Asia. KELIX bio has helped to tackle the challenges facing patients and healthcare systems in emerging markets by providing affordable, life-saving treatments and increasing the range and quality of products available, while aiming to reduce the incidences of counterfeit products in the

market. Capital mobilisation is a key part of our role as a leading development finance institution. It is a testament to KELIX bio's trajectory that it attracted commercial growth capital, securing its successful future."

Allen & Overy LLP acted as legal advisor to DPI, BII, and EBRD on this transaction.

## PE INDUSTRY NEWS

# Nairobi Gate Industrial Park Launches Textile Park within SEZ

**N**airobi Gate Industrial Park, the first Special Economic Zone (SEZ) with a fully consolidated customs-control area in East Africa, has launched a one-of-a-kind manufacturing and warehouse park for the textile and apparel industry in Kenya.

The 100,000 sq.m Textile Park will benefit tenants and create job opportunities in Kenya's second-largest manufacturing industry after food processing.

It will support the Kenyan economy significantly, attracting foreign direct investment (FDI), especially in bulk infrastructure projects.

The 100-acre Nairobi Gate Industrial Park is being developed by Impact North, a company formed by unlisted SA property investment group Improvon, and private equity investor Actis.

Dean Shillaw, Managing Director at Impact North, said: "The cotton, textile, and apparel industry in Kenya is rapidly growing - and this has resulted in an increased demand for modern manufacturing and warehouse facilities to enhance efficiencies and productivity."

"Kenya is expected to become Africa's textile and apparel hub. Nairobi Gate's excellent location and SEZ status provide several financial and non-financial benefits for licensed tenants."

"With available land and capital, Nairobi Gate could be the first, and leading development in East Africa to offer a dedicated and sustainable textile park."

As an approved Special Economic Zone (SEZ), Nairobi Gate offers fiscal benefits including corporate tax rate reductions from 10%-30%, zero-rated VAT, reduced withholding taxes, preferential import duties, excise duty, import declaration fees, a 100% investment deduction allowance and lower business permit fees.

Shillaw believes that Kenya stands a good chance of capitalising on geo-political uncertainty in Ethiopia, traditionally a mainstay of international textile and apparel manufacturers because of the introduction of industrial parks in that country during the late-1990s.

The global Covid-19 pandemic, US-imposed sanctions in January

2022 that ended Ethiopia's preferential market access under the Africa Growth and Opportunity Act (AGOA) - its largest client - and ongoing conflict in northern Ethiopia, has forced international manufacturers occupying more than 2 million square metres of industrial space in Ethiopia to rethink their location.

According to the group's 2022/2023 Annual Report, Kenya is the largest manufacturing facility outside of Sri Lanka employing over 4 000 people. The factory, one of the most extensive apparel manufacturing facilities, accounted for nearly 20% of Kenya's total apparel exports, and generated 39% in revenue - second to Sri Lanka at 46%, with Ethiopia contributing 7%.

As a result of its stability and high economic growth, Kenya has emerged as a preferred location for many international tenants, especially since 2021, despite the country's lack of A-grade warehouse parks and facilities.

Shillaw said when looking for new space, tenants primarily consider location, the availability of labour, the available skillset, quality, and size of warehouses as well as utility costs.

Nairobi Gate's new Textile Park is in the SEZ closest to the inland container depot and the Jomo Kenyatta International Airport. It furthermore offers easy highway access to regions north and south of Nairobi via the Thika Highway and is close to labour markets.

The consolidated customs-control area provides for sophisticated weighbridges and offers all regulatory services such as Kenya Revenue Authority (KRA), Kenya Ports Authority (KPA), Special Economic Zones Authority (SEZA), customs, and other agencies under one roof, significantly smoothing the administrative burden and increasing efficiencies.

"The development of the textile park at Nairobi Gate will address a significant need in the market while taking advantage of a growing textile industry, considering the increasing demand for clothing globally, and the lack of A-grade warehouse space in Nairobi," he said.

## INVESTORS

# SEDF Backs Allied Climate Partners

**T**he Soros Economic Development Fund (SEDF), the impact investment arm of the Open Society Foundations, has committed \$25m to Allied Climate Partners (ACP)—a new and innovative public-private partnership focused on increasing the number of bankable

climate projects in emerging markets and developing economies around the world.

ACP aims to address a critical financing gap at the early, risk-oriented stages of the development process. Without this support, many projects

and businesses struggle to attract the necessary capital to achieve their climate-related goals. While early-stage project development represents the smallest portion of the overall funding needed for a project (approximately 5%), relatively few early-stage projects get financed due to risk. Even though 5 percent of the capital can unlock 95%, this early-stage capital is the hardest to raise for critical activities like technical and environmental assessments, modeling, permitting, and land acquisition.

Using funds from SEDF and other philanthropic investors, ACP will anchor a number of regional funds in Southeast Asia, Africa, Latin America and the Caribbean, and India with \$235m first-loss junior equity. These regional funds will in turn seek to raise an additional \$600+ million in senior equity from multilateral development banks (MDBs), development finance institutions (DFIs), and private investors.

ACP has strategic partnerships with a number of leading MDBs and DFIs, including the International Finance Corporation (IFC), a member of the World Bank Group, U.S. International Development Finance Corporation (DFC), British International Investment (BII), the U.K.'s DFI and impact investor, the African Development Bank (AfDB), Proparco, a subsidiary of Agence Française de Développement Group, FMO, the Dutch Entrepreneurial Development Bank, and IDB Invest, a member of the Inter-American Development Bank Group.

Philanthropic investments in ACP are expected to mobilize a significant level of third-party capital into regional investment managers and climate-related projects—potentially as much as \$11bn in additional investment.

SEDF has partnered with the Three Cairns Group, Bezos Earth Fund, Sea Change Foundation International, and several other philanthropic and investment partners in making this commitment.

Georgia Levenson Keohane, CEO of the Soros Economic Development Fund, said: “This innovative SEDF investment builds on Open Society's broader work to support the mobilization of development finance and commercial capital critical for financing a just climate transition in the Global South.”

Mark Malloch-Brown, president of the Open Society Foundations, said, “The scale of investment needed to drive climate transition and adaptation in Global South economies clearly goes far beyond the capacities of private philanthropic funding. We are excited about this model which seeks to use catalytic funding to remove barriers, and help kick start the broader systemic shifts the world urgently needs.”

“We urgently need innovative blended finance solutions that can operate at scale,” said Ahmed Saeed, CEO of Allied Climate Partners. “ACP welcomes SEDF's commitment to join this exciting endeavor to leverage the power of philanthropic funding.”

## INVESTORS

# Norfund Makes Over Half of Its Investments in Africa

**T**he Norwegian Investment Fund for developing countries (Norfund) invested just over 6.5 billion NOK in developing countries in 2023, with 51% of investments in Africa.

This is as much as the record year 2022, despite the fall in the world's total investments.

“We have succeeded in maintaining a high level of our contributions to creating more jobs in some of the most challenging countries where high risk makes many investors hesitant to invest,” said Teller Thorleifsson, CEO at Norfund.

Above the development mandate, Norfund invested a further NOK 1.4bn in renewable energy.

Norfund invested 2.3 billion in companies within financial inclusion, NOK 812m in companies within agriculture and industry, and NOK 412m in local and regional funds that invest directly in companies.

Of Norfund's total committed portfolio, 62% was in Africa at the turn of the year.

“Through investments that provide access to energy and capital, as well as direct ownership in companies, we see that we can contribute to fighting poverty in an efficient, sustainable and scalable way,” said Thorleifsson.

Total foreign direct investment to developing countries fell last year by 9% to \$841bn, with a drop of 12% in developing countries in Asia and 1% in Africa, according to a report by UNCTAD.

Norfund's investments have seen steady growth in recent years, despite demanding times characterized by, among other things, the

pandemic.

In 2020, investments increased by 20%, in 2021 by 10% and in 2022 by another 20%. In 2023, the record level of 6.5bn from the year was thus maintained.

Norfund's total committed portfolio was NOK36.2bn at the end of the year.

Over the past two years, Norfund has received NOK1.68bn for the fund's development mandate and one billion for the Climate Investment Fund over the aid budget.

The total annual investments are now 2.5 times the amount transferred from the state budget, as a result of freed up funds from returns and sales.

“By investing instead of giving the money away, we mobilize private capital and use the same funds several times, so we can help fight more poverty and climate change,” said Thorleifsson.

Norfund was given responsibility for the new Climate Investment Fund aimed at avoiding emissions in developing countries in 2022.

In 2023, Norfund invested NOK 1.6bn over this mandate in renewable energy in countries with a particularly high proportion of fossil energy in existing and planned power production.

“The need for capital for renewable energy in these markets has grown further as a result of more expensive capital and high gas prices, and we see great opportunities to make a significant difference,” commented Thorleifsson.



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# TRANSFORMING Africa's Hospitality Sector



**Olivier Granet (left), Managing Partner, Chief Executive Officer, and David Damiba, Managing Partner, Chief Investment Officer at Kasada Capital Management, tell Africa Global Funds about the firm's investment strategy and trends that are driving the hospitality industry in Africa**

## PLEASE TELL US ABOUT KASADA CAPITAL MANAGEMENT.

**OLIVIER GRANET & DAVID DAMIBA (OG & DD):** Kasada Capital Management is the leading independent real estate private equity platform dedicated to the hospitality sector in Africa. Kasada was established in 2018 with the support of the Qatar Investment Authority, the sovereign wealth fund of Qatar, and Accor, a global hospitality leader. In April 2019, Kasada closed its first fund, Kasada Hospitality Fund L.P., with equity commitments of over \$500m.

Kasada's transforming the continent's hospitality sector with our world-class, multi-disciplinary team with deep sector expertise and successful track records across investment, construction, finance and operations and within the African context. Driven by our expertise, scale, strategic partnerships and industry networks, and significant investment pipeline, Kasada is seizing attractive proprietary knowledge and investments ahead of the market.

We lead the way in delivering truly sustainable and innovative best-in-class hospitality destinations and experiences to meet the strong, resilient and fast-growing structural demand in the region that is significantly undersupplied. We have become the largest and most active institutional investor in hospitality in the region and the solution provider of choice.

Our portfolio has grown to 20 hotels with 3,374 hotel keys across eight countries, each hotel is currently operated by Accor, leveraging its diverse brand portfolio and international acclaim.

## WHAT'S YOUR INVESTMENT STRATEGY?

**OG & DD:** Our strategic approach has been to create and grow a geographically diversified portfolio, balanced across key locations in Sub-Saharan Africa. In line with our strict investment, returns and ESG criteria, Kasada's investment strategy spans all segments, from budget to luxury, including lifestyle and leisure. We also target value-add investment opportunities, creating value by repositioning assets and diversifying revenue streams to help strengthen topline resilience and improve revenue per square meter. We invest in both operational and greenfield development projects.

We're committed to generating sustainable, positive impact in the African economies and communities we invest in, while also ensuring the delivery of attractive, risk-adjusted returns for investors. This includes delivering low-carbon buildings, enhancing the benefits and training for all employees, providing the best guest experiences, reducing consumption of energy, water and resources, and the efficient management of resources. We're committed to supporting the development of local talent and positively impacting job creation with

career opportunities. Kasada already holds independent certifications for green building (IFC EDGE), security and safety (SAFEHOTELS) and green operations, underlining Kasada's commitment to being responsible investors in the African hospitality sector. We're targeting our existing portfolio to be Green building IFC EDGE certified by the end of 2024.

We have a large pipeline of attractive investment opportunities, we're also targeting what we believe is a natural expansion of our platform into Morocco.

## WHAT TRENDS ARE DRIVING THE HOSPITALITY INDUSTRY IN AFRICA AND WHAT DOES IT MEAN FOR INVESTORS?

**OG & DD:** Home to the world's fastest growing population, with rapid urbanisation and a strong and growing middle class with increasing spending power, the hospitality sector in Africa has strong, resilient and increasing local and international demand fundamentals, yet is hugely underserved, unbranded and fragmented in terms of ownership. There are significant, attractive opportunities for Kasada to profitably grow our asset base across Africa, further enhance our portfolio diversification and risk profile, and create and deliver further sustainable value and outperformance for investors and all our stakeholders.

The resilience of the African hospitality market has been very impressive despite several challenges for all key market players. In 2024, the market is approaching 2019 levels, driven by some very strong performances in key markets such as Nigeria, Morocco and Senegal, clearly demonstrating the potential of the region. We expect to see further significant growth, for instance from the African Continental Free Trade Area (AFCTFA) helping to facilitate business and travel between different African countries.

## WHAT'S YOUR OUTLOOK FOR THE AFRICAN HOSPITALITY INDUSTRY IN 2024?

**OG & DD:** It remains a very fragmented, underserved and unbranded sector that is set to continue to grow significantly and consolidate, and Kasada will continue to profitably grow its asset base across key African markets. Dynamic economic growth is backed by an emerging and growing middle-class stimulating the development of infrastructure such as airports, transportation and communication networks. With the increasing penetration of international brands, implementation of best-in class standards and higher quality of the development pipeline both international and local demand is expected to support significant growth of the sector.

# HOW WE HELP

## Emerging Managers in Africa Getting their Inaugural Fund Off the Ground



Collaborative efforts between a fund administrator and an emerging manager launching their first fund are crucial for ensuring a successful launch and ongoing operation. In this article, **Shamima Mallam-Hassam, Managing Director of Trident Trust's Mauritius** office discusses the benefits of a collaborative partnership and the role a fund administrator plays.

### INITIAL CONSULTATION

The collaboration often begins with an initial meeting where Trident Trust, as fund administrator, and the manager discuss the fund's goals, investment strategy, target investors, and regulatory requirements. During this phase, we provide guidance and practical considerations in relation to fund structuring options, meeting regulatory requirements, and operational best practices. We have been working with first time GPs for two decades and find this helps both parties understand each other's requirements, as well as identifying possible difficulties emerging GPs may find along the way of a new launch.

### FUND STRUCTURING AND DOCUMENTATION

When it comes to fund structuring and documentation, we work with the manager and their legal counsel and the regulator, assisting in structuring the fund and preparing the necessary legal and regulatory documentation, such as the private placement memorandum, limited partnership agreement, and subscription documents. We work as a team, ensuring that the documentation complies with applicable regulations and industry standards while reflecting the emerging manager's investment strategy and preferences.

### OPERATIONAL SETUP

Once the fund's structure is finalized, our team helps set up the fund's operational infrastructure, including establishing bank accounts, selecting custodians and auditors, and implementing technology platforms for fund accounting, reporting, and investor communications. Our core fund administration technology, supported by institutional-grade platforms such as Allvue, PFS-Paxus, and Advent Geneva, is tailored to meet clients' unique requirements.

### EFFECTIVE OPERATIONAL DUE DILIGENCE (ODD)

Effective operational due diligence (ODD) has become more important than ever. Investors recognize the significance of early focus on governance, operational controls, regulatory compliance, and transparency, and seek assurance about a fund's infrastructure, processes, and staff. Consequently, ODD has evolved into a meticulous process. The right fund administrator can significantly support this transition.

As firms outsource middle and back-office functions, they understand the fund administrator's role in enhancing ODD. The administrator's

broad responsibilities, coupled with their experience, complement the manager's operational track record. Engaging a third-party administrator offers investors added reassurance and transparency, strengthening their confidence in their investments.

### COMPLIANCE AND REGULATORY SUPPORT:

Our experienced team provides guidance on regulatory requirements applicable to the fund, such as registration with regulatory authorities, compliance with anti-money laundering (AML) and know-your-customer (KYC) regulations, and ongoing reporting obligations. The team assists the emerging manager in preparing regulatory filings and responding to regulatory inquiries or audits.

### INVESTOR ONBOARDING, REPORTING AND SUPPORT

Effective investor onboarding is crucial for the smooth operation of a fund, especially for emerging managers competing with more established ones. An experienced fund administrator alleviates the manager's burden by assisting with onboarding paperwork, data collection, and KYC/AML checks. They also keep managers updated on the process and manage expectations to prevent the probability of the investor dropping out midway.

Understanding the manager's potentially limited experience, the fund administrator offers training and ongoing support. This may include training on using the fund administration platform, understanding financial reports, and navigating regulatory requirements. By equipping the manager's team with expertise, the administrator enhances operational efficiency and effectiveness, ensuring smoother fund operations and investor satisfaction.

### CONTINUOUS COMMUNICATION AND COLLABORATION

Throughout the fund launch process and beyond, the fund administrator maintains open lines of communication with the emerging manager, providing regular updates on operational matters, regulatory developments, and investor-related issues. We collaborate closely with the emerging manager to address any challenges or opportunities that arise, ensuring a proactive and responsive approach to fund management.

In summary, the collaborative efforts between a fund administrator and an emerging manager are essential for navigating the complexities of launching and managing a first fund successfully. By leveraging the fund administrator's expertise in fund structuring, operational setup, compliance, investor relations, and ongoing support, emerging managers can focus on their core competencies in investment management and strategy, setting a solid foundation for long-term success.

# FOR EFFICIENT FUND ACCOUNTING, THE DEVIL IS IN THE DETAIL



LEARN MORE ABOUT  
TEMENOS MULTIFONDS



Can fund accounting be made easier? Léa Aouston, Principal Consultant, Temenos Multifonds explores why a new approach is needed in this complex and important area

Fund accounting is a critical part of the administration process. Yet the market perception is that it is an unimportant task, carried out with processes that are inefficient and potentially error-prone. We explore the complexity of fund accounting and introduce a new, flexible way to approach it.

Getting fund accounting right is much more than a “tick box” internal exercise for NAV production. From a fund administrator’s perspective, it is, of course, very valuable to be as accurate and efficient as possible: the more that fund accounting is streamlined and automated, the more time and cost can be saved.

## ACCOUNTING: THE ULTIMATE SOURCE OF TRUTH

Fund accounting has a long list of stakeholders who have a strong interest in the process being as meticulous and productive as possible. Clients care about it because it impacts how they will be charged. Government requirements rely on it for accurate tax calculations and regulators need accurate fund accounting data to check whether funds respect their commitments to clients and investors.

The stakes therefore are high and fund accounting has layers of complexity, that place a heavy burden on fund administrators who are under time and cost pressure.

These three use cases illustrate why there’s a strong need for accounting approaches to be as flexible as possible.

### 1. CLIENT- AND ASSET-SPECIFIC REPORTING

Often, clients want much more granular reporting than is delivered by P&L accounting for the NAV. Rather than a single P&L that reflects different asset types, they may instead want to see reporting broken down by different instrument types or by foreign or domestic markets. Fund administrators may also be asked to produce reporting that drills down even further, for example into the returns on specific derivatives, so an asset manager client can clearly separate out their performance on these instruments.

Without the ability to manage and report on data at this granular level, fund administrators can be left with time-consuming manual processes and workarounds.

### 2. COUNTRIES AND INDUSTRIES

In Europe, Latin America and the Asia-Pacific region, some countries

require funds to follow a prescribed chart of accounts. So, for example, if an asset manager in Luxembourg expands into France, which has this requirement, they would need a separate chart of accounts that follows the French convention. Different accounting methods for underlying investments may even be used depending on the level of consolidation (such as multi-strategies within mandates, fund of fund or look-through applicable to insurers regulated under Solvency II). Scale up the number of funds and consolidation level and this quickly creates an expensive administrative headache. The same goes for specific sectors, such as insurance funds and pension funds, which have different rules or different charts of accounts.

### 3. TAXES

Whenever a business crosses international borders, tax calculations for fund accounting become more complex, as they need to take into account elements such as local GAAP or IFRS. For example, the fund might have to provide a different treatment for position keeping (average and FIFO) to fulfil the tax requirement and local GAAPs. This can mean using shadow fund accounting and manually replicating tasks to get the different views needed.

### WHAT EFFICIENT AND FLEXIBLE FUND ACCOUNTING LOOKS LIKE

If the devil is in the detail with this critical task, so is the solution.

Traditional approaches mean that whenever a fund follows different rules, it needs to be treated as a separate fund. As the number of funds grows, so does the complexity. The result? Disconnected Excel models, manual workarounds and zero chance of straight-through processing.

Set everything up at a detailed, granular level, however, and there’s no longer any need to carry out separate NAV calculations for every GAAPs, taxes, countries, clients, etc. Rules can be applied across multiple funds, so accounting and reporting processes can be automated.

This rules-based approach is what the Multifonds accounting engine makes possible. With its flexible data set coupled with extensive fund types and asset coverage, fund administrators can drill down to a granular level to set up accounting and reporting that meets their client’s, governments and regulators’ requirements, without having to duplicate tasks or fall back on workarounds.

Together with Multifonds’ recent investment in renewed architecture, our unique position in the market – we serve both global fund administrators and niche players in 35+ countries – makes Multifonds the ideal partner to take the complexity out of fund accounting.

# ANGOLAN CAPITAL MARKETS: Trading on the BODIVA



Tiago Dionísio, Chief Economist, Eaglestone Advisory, looks into the Sovereign Fund of Egypt's performance since 2020 and how it could take advantage of the current events occurring in the Egyptian economy

Angolan legislation establishes that there are two types of regulated markets in the country: the stock exchange market and the organized over-the-counter (OTC) market. The stock exchange market is solely for the admission of securities for spot trading of shares, bonds, detached rights within the scope of public offerings and other rights such as commodities. As a result, all other financial instruments are excluded from the exchange, namely derivatives, even if represented by securities. BODIVA's stock exchange market allows the trading of (1) treasury bonds and bills, (2) private bonds, (3) investment units (issued by collective investment undertakings, or OICs, such as investment funds) and (4) shares. On the other hand, organized OTC markets are regulated markets for the exchange of financial instruments that do not meet the criteria for admission to and trading on a stock exchange. In the case of BODIVA, there is (1) the securities transactions registration market (MROV), (2) the repurchase operations (Repos) market (MOR) and (3) the fractioned securities market (MVMF):

- The MROV allows for the registration of previously completed but unsettled trades in any form of security that are not admitted to trading in other BODIVA segments. Due to its less demanding admission requirements (relatively to the stock exchange market), the MROV is an excellent entry point to the securities market and may be used as a starting point for admission to the stock market.

- The MOR is intended exclusively for the trading and registration of Repos on securities authorized by the BODIVA. These operations include a repurchase agreement, where the seller of a certain asset commits

to repurchase it at a future date plus the interest agreed between the parties. This interest represents the Repo rate.

- The MVMF is a market segment that results from the fraction or division of the quantities of an originating security admitted to trading on the BODIVA. Trading on the MVMF provides the following advantages: (1) easier access to the BODIVA, (2) minimum investment amount lower than the traditional one and (3) the possibility of splitting any security admitted to trading.

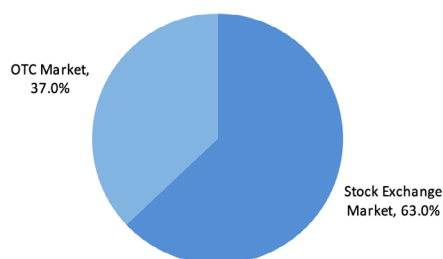
### TOTAL AMOUNT/VOLUME TRADED

The total amount traded at the BODIVA reached AKZ 7,657,442 million in 2023, representing a nearly fivefold increase from the previous year. This includes trading of treasury instruments, private bonds, and shares in the stock exchange market as well as trading in the securities transactions registration market and repurchase agreements in the OTC market. In dollar terms, the total amount traded at the Angolan exchange stood at US\$ 11,179 million in the period (at the average US\$AKZ exchange rate of 685 for the year). It also represented about 12.0% of nominal GDP, which is significantly higher than the figure recorded in 2022 (just 2.9% of GDP).

Figures disclosed by the BODIVA showed that most of the amount traded during 2023 was done through the OTC market (87.7%). This contrasts with the previous year where 63.0% of the total traded amount was made through the stock exchange market.

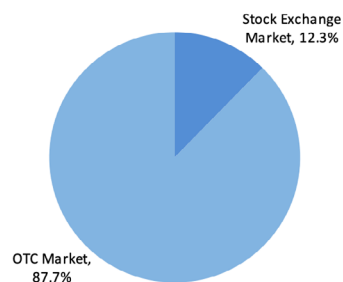
A closer look by type of instruments traded on the BODIVA showed that Repos were responsible for nearly half (48.9%) of the total traded amount in the period followed by securities transactions registration (38.8%) and treasury instruments (12.1%). This is somewhat different

AMOUNT TRADED BY MARKET IN 2022 (% OF TOTAL)

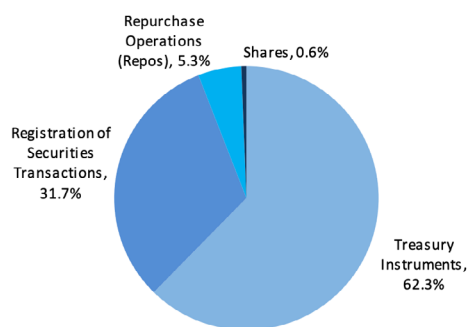


Sources: BODIVA and Eaglestone.

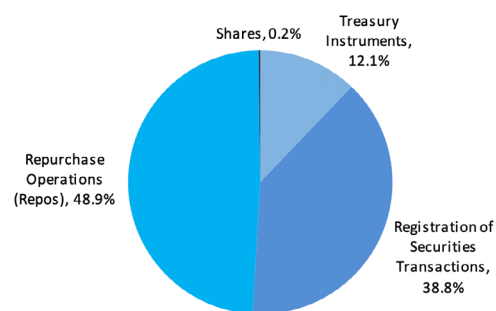
AMOUNT TRADED BY MARKET IN 2023 (% OF TOTAL)



Sources: BODIVA and Eaglestone.

**AMOUNT TRADED BY TYPE IN 2022 (% OF TOTAL)**

Sources: BODIVA and Eaglestone.

**AMOUNT TRADED BY TYPE IN 2023 (% OF TOTAL)**

Sources: BODIVA and Eaglestone.

than the performance recorded in 2022, which saw trading of treasury instruments account for more than 60% of the total trading, while securities transactions registration represented 31.7%.

Total trading on the BODIVA clearly picked up in the second half of 2023 compared with the first two quarters of the year. This evolution was due to different reasons when analyzing on a quarter-by-quarter basis. Total trading in the third quarter benefited from a strong performance in the securities transactions registration market, namely in treasury notes, that saw its quarterly contribution jump more than sevenfold and account for 56% of the total trading. Total trading in the fourth quarter benefited from the significant increase in the trading of

deals were part of the Angolan government's privatization program (PROPRIV). BAI and BCGA were the only two companies listed on the stock market in 2023.

Trading of these shares remains very modest (and volatile). Figures from the BODIVA showed that the total amount of these shares traded on the stock market reached AKZ 15,446 million in 2023, rising 60.4% YoY. This represents only US\$ 23 million at the average US\$/AKZ exchange rate of 685. In particular, the amount of BAI shares traded on the stock market increased 54.6% to AKZ 14,168 million and represented 92% of the total traded amount in the period. Trading of BCGA shares more than doubled to AKZ 1,278 million (+177.4% YoY).

**“When looking at the figures monthly, one can conclude that the total amount traded was highest in September 2023, reaching AKZ 1,890,556 million. This represents nearly a quarter of the total amount traded during the year**

Repos (treasury notes), with this accounting for 79% of the total trading in the last three months of the year. The amount traded picked up in the second half of 2023. Other figures provided by the BODIVA showed that the total volume of instruments traded at the Angolan market exchange surged more than sixfold in 2023. This performance was due to the significantly higher trading volume of treasury instruments and securities transactions registration. Trading volume was markedly stronger in the second half of the year, particularly in terms of the trading of treasury instruments.

When looking at the figures monthly, one can conclude that the total amount traded was highest in September 2023, reaching AKZ 1,890,556 million. This represents nearly a quarter of the total amount traded during the year. This was followed by August and November, with these months each accounting for nearly 20% of the total for the year.

In terms of the volume traded, the month of November was clearly the most active of 2023, as close to 40% of the instruments traded in the year took place in this month. This was closely followed by September, which saw 36.7% of the total volume traded for the year.

**STOCK MARKET (MBA)**

The BODIVA saw the IPO of minority stakes in two Angolan banks in 2022: Banco Angolano de Investimentos (BAI) and Banco Caixa Geral Angola (BCGA). The stakes belonged to two public companies and the

The total number of shares traded during 2023 stood at 626,999, posting an increase of 131.7% YoY. Trading of BAI shares accounted for 81% of the total shares traded on the stock exchange, reaching 508,752 (+109.9% YoY) in the period. Considering that 1,945,000 shares were placed in the market in the aforementioned IPO of a 10% stake in BAI, this means that the equivalent of 26.2% of these shares were traded during 2023. On the other hand, only 118,247 shares of BCGA were traded in 2023, more than four times the number of shares traded in the previous year. Still, the number of BCGA shares traded on the stock market represented only 7.4% of the 1,600,000 shares that were reserved to the public in the bank's IPO in 2022.

Investors were more active in trading BAI shares in the last months of 2022 and in August and September 2023. The reason behind the performance in 2022 had to do with the announcement that the bank was selling 972,500 of its own shares (or 5% of its share capital). The number of BAI shares traded during August and September 2023 represented 13.0% and 6.9% of the bank's shares that are available in stock market, respectively.

In terms of BCGA, the month of August 2023 clearly stood out as the most active trading period of the bank's shares. Trading for the month (97,554 shares) represented 6.1% of the bank's shares that were made available to the public at the time of its IPO (1,600,000 shares).

# AFRICAN MARKETS PERFORMANCE

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

Country	March	3-Month	1-Year
Botswana	1.12%	2.17%	8.77%
Egypt	-33.83%	-32.84%	-23.64%
Ghana	-2.58%	13.75%	-34.55%
Kenya	11.62%	22.17%	2.42%
Mauritius	-0.94%	-4.72%	3.33%
Morocco	-0.05%	-0.23%	9.89%
Namibia	-0.44%	-7.43%	1.60%
S&P/FMDQ Nigeria	16.52%	-38.93%	-65.73%
South Africa	-0.79%	-5.35%	-2.61%
Tanzania	-6.75%	-8.56%	-13.50%
Uganda	1.86%	-0.64%	11.70%
Zambia	-3.97%	10.43%	19.16%

Source: S&P Dow Jones Indices

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

Country	March	3-Month	1-Year
Botswana	2.12%	0.86%	18.16%
Cote d'Ivoire	0.78%	-1.90%	15.54%
Egypt	-37.39%	-27.38%	16.99%
Ghana	8.31%	6.21%	23.22%
Kenya	38.97%	53.67%	6.82%
Malawi	-2.43%	4.06%	-9.78%
Mauritius	4.31%	2.39%	13.91%
Morocco	-0.83%	4.36%	29.04%
Namibia	2.97%	-0.22%	20.89%
Nigeria	36.89%	-16.31%	-27.26%
Rwanda	-1.05%	-1.14%	-0.58%
South Africa	3.86%	-6.86%	-3.99%
Tanzania	2.19%	3.99%	9.33%
Tunisia	3.70%	0.67%	6.98%
Uganda	5.62%	3.73%	37.11%
Zambia	-0.80%	21.53%	53.51%

Source: S&P Dow Jones Indices

## MARKET FOCUS:

### Central African Republic

The Central African Republic authorities and the International Monetary Fund (IMF) staff have reached agreement on the economic policies that may underpin the forthcoming approval by the IMF Executive Board of the second review of the ECF-supported program. Despite an extremely challenging economic and social context, Central African Republic (CAR) continues to make headway in stabilizing its economy and in achieving fiscal consolidation, according to Albert Touna Mama, Resident Representative at IMF. Economic growth is estimated as being slightly up, reaching 0.7% in 2023, albeit reflecting the country's fuel and electricity supply difficulties, while inflationary pressures are beginning to ease.

Program implementation has been broadly satisfactory, notwithstanding certain obstacles. All the quantitative performance criteria for end-December 2023—regarding tax revenue, the primary deficit, and domestic financing—have been met. Furthermore, the reforms anticipated for end-April—regarding administrative fees, taxes, fines, and levies, the interconnection between taxes and

customs, the institutional strengthening of the Financial Intelligence Unit (ANIF), and the review of the organic law governing the state audit office—are on track. Despite these notable achievements in fiscal consolidation, a number of economic and social challenges have still to be addressed in the short to medium terms.

Against this backdrop, the CAR government has adopted a series of undertakings and emergency measures under the ECF program.

The government is pursuing key reforms in the digitalization and modernization of government finance, through the ongoing deployment of new IT systems and modern applications within the tax administration, Customs, and the Treasury, among other initiatives, with the support of technical and financial partners.

In terms of outlook, we anticipate a gradual acceleration of economic activity to around 1.3% in 2024. However, these growth prospects will be crucially dependent on the success of the campaign for importing fuels via the Oubangui river, as well as on the extent to which electricity supply difficulties can be overcome.

# PRIVATE EQUITY FUNDS & DEALS

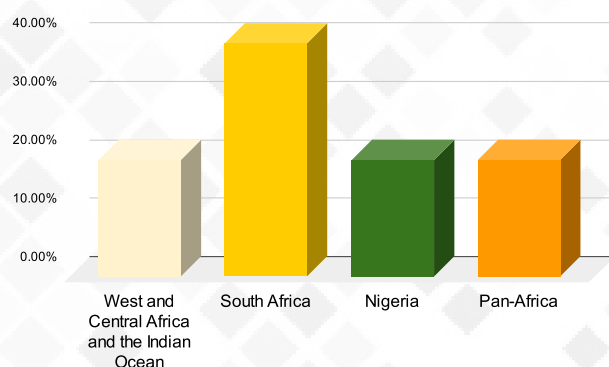
(as of 31st March 2024)

## DEALS

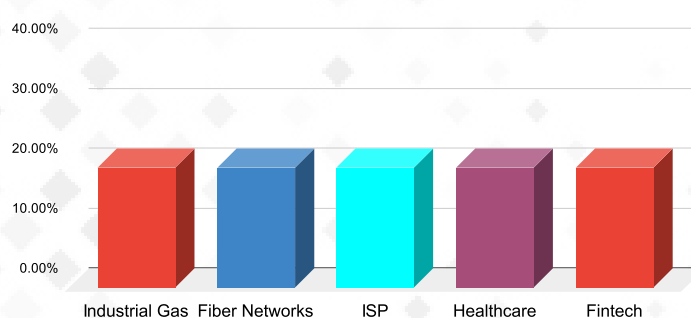
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Adenia Partners	Air Liquide's subsidiaries	Industrial Gas	West and Central Africa and the Indian Ocean		Undisclosed
African Infrastructure Investment Managers, STOA, Thebe Investment Corporation	Octotel	Fiber Networks	South Africa	Secondary Buyout	Undisclosed
African Infrastructure Investment Managers, STOA, Thebe Investment Corporation	RSAWeb	ISP	South Africa	Secondary Buyout	Undisclosed
Aruwa Capital Management, Newtown Partners, Ventures Platform	MDaaS Global	Healthcare	Nigeria	Venture Capital	\$1.5m
Mubadala, Uber, The Latest Ventures, Africinvest, Palm Drive Capital, Triatlum Advisors AG, and Future Africa	Moove	Fintech	Pan-Africa	Series B	\$100m

## DEALS BY COUNTRY



## DEALS BY INDUSTRY



## FUNDRAISING

Company	Fund	Geography	Style	Sectors	First Close	Final Close	Date Announced
XXML Capital	African Rivers Fund IV	Central and East Africa	Growth Equity	Generalist	\$98.7m		March 12, 2024

## EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Actis	Octotel	Fiber Networks	South Africa	African Infrastructure Investment Managers, STOA, Thebe Investment Corporation	Secondary Buyout
Actis	RSAWeb	ISP	South Africa	African Infrastructure Investment Managers, STOA, Thebe Investment Corporation	Secondary Buyout
Development Partners International, British International Investment, the European Bank for Reconstruction and Development	KELIX bio	Biopharmaceuticals	Pan-Africa	Mubadala Investment Company	Secondary Buyout
TPG	Mavin Global	Entertainment	Pan-Africa	Universal Music Group	Trade

Source: AGF

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM (\$m)	Strategy	Focus	Domicile	Type	Start
<b>337 Frontier Capital - Kimberlite Frontier Africa Fund (as-of 2024-03-31)</b>										
-2.4	7.09	12.82	6.77	0.68	326.00 (12/23)	Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
<b>African Domestic Bond Fund (as-of 2024-03-31)</b>										
	-7.5	-12.5	-28.5	-10.5		ETF - local currency FI	African region	Mauritius	Open-End	9/18
<b>African Lions Fund (as-of 2024-03-31)</b>										
7.29	8.64	10.2			25.19 (03/24)	Equity	SSA ex-SA	BVI	Open-End	10/20
<b>Allan Gray Africa Bond Fund (as-of 2024-03-31)</b>										
4.9		22.8	4	5.1	311.00 (03/24)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
<b>Allan Gray Africa ex-SA Equity Fund (as-of 2024-03-31)</b>										
-3.29	1.13	-2.67	1.47	2.22	415.00 (03/24)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
<b>Alquity Africa Fund (as-of 2024-03-31)</b>										
1.66					2.49 (02/24)	Equity	African region	Luxembourg	SICAV	6/10
<b>Commonwealth Africa Fund (as-of 2024-03-31)</b>										
-5.2	3.9	-4.22	-3.47	-1.57	3.06 (03/24)	Equity	African region	USA	Open-End	11/11
<b>Coronation Africa Frontiers Fund (as-of 2024-03-31)</b>										
8.45	12.72	-3.31	-5.12	-3.71	240.70 (03/24)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
<b>DWS Invest Africa (as-of 2024-04-22)</b>										
-12.15	0.98	-7.71	-3.88	-3.86	22.33 (03/24)	Equity	African region	Luxembourg	SICAV	07/08
<b>EFG-Hermes MEDA Fund (as-of 2024-04-22)</b>										
7.36	-0.21	25.97	22.44	17.31		Equity	Africa & Middle East	Bermuda	Open-End	12/11
<b>Enko Africa Debt Fund (as-of 2024-03-31)</b>										
12.2	9.41	33.56	12.48	16.37	672.20 (03/24)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
<b>Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2024-04-22)</b>										
4.04	2.38	10.02	-13.52	-5.27	214.76 (03/24)	Equity	EMEA	Luxembourg	SICAV	06/07
<b>Imara Africa Fund (as-of 2024-01-31)</b>										
3.91	3.91	-15.73	-12.32	-5.09		Equity	African region	Cayman Isl.	Open-End	04/09
<b>Imara African Opportunities Fund (as-of 2024-03-31)</b>										
-6.93	-8.33	-9.59	-15.7	-8.17		Equity	African region	BVI	Open-End	6/05

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

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM (\$m)	Strategy	Focus	Domicile	Type	Start
<b>Laurium Limpopo Master Fund (as-of 2024-03-31)</b>										
8.26	6.84	11.6	0.16	-1.94	161.90 (03/24)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
<b>Mazi Capital Africa Fund (as-of 2024-03-31)</b>										
-8.71	-4.29	-14.1	-8.83	-7.76		Equity	Africa ex-SA	South Africa	Open-End	01/16
<b>MCB Africa Bond Fund (as-of 2024-03-31)</b>										
	-4.7	-9	-27.6	-16.3		Fixed Income	African region	Mauritius	Open-End	2/14
<b>Ninety One Premier - Africa Fund A (as-of 2024-03-31)</b>										
-12.23	-1.22	-38.67	-33.99	-22.68	0.44 (03/24)	Equity	African region	Guernsey	Open-End	01/07
<b>Old Mutual African Frontiers Flexible Income Fund (as-of 2024-04-22)</b>										
8.87	3.44	9.5			23.57 (03/24)	Fixed Income	African region	Ireland	OEIC	05/22
<b>Old Mutual African Frontiers Fund (as-of 2024-03-31)</b>										
12.55	13.98	12.98	-0.7	-1.47	291.00 (12/23)	Equity	Africa ex-SA	Ireland	Open-End	5/10
<b>Robeco Afrika (as-of 2023-09-29)</b>										
-5.27	0.23	1.35	7.2	-0.2	20.50 (09/23)	Equity	African region	Netherlands	Open-End	6/08
<b>Sanlam Africa Equity Fund (as-of 2024-03-31)</b>										
5.43	9.94	3.86	1.15	0.69		Equity	Africa ex-SA	Ireland	Open-End	07/15
<b>Sanlam Centre Africa Equity Fund (as-of 2023-12-31)</b>										
-0.79	-2.18	-0.79			58.53 (12/23)	Equity	Africa ex-SA	Cayman Islands	Open-End	05/19
<b>Silk Invest Emerging Africa Bond Fund (as-of 2024-01-31)</b>										
-0.74	-0.74				1.51 (01/24)	Fixed Income	African region	Mauritius	Open-End	09/16
<b>Steyn Capital Africa Fund (as-of 2024-03-31)</b>										
-7.64	-4.68	-1.08	4.85	-0.17	153.00 (02/24)	Equity	Africa ex-SA	Malta	SICAV	09/11
<b>Sustainable Capital Africa Alpha Fund (as-of 2024-03-31)</b>										
-10.83	-12	0.63	-0.64	1.09	300.00 (12/23)	Equity	Africa ex-SA	Mauritius	Open-End	02/12
<b>TCM Africa High Dividend Equity (as-of 2024-03-31)</b>										
-11.91	-4.98	-4.47	-7.57	-6.25	8.00 (12/23)	Equity	Africa ex-SA	Holland	Open-End	03/08
<b>T. ROWE PRICE AFRICA &amp; MIDDLE EAST FUND (AS-OF 2024-03-31)</b>										
1.6	1.27	12.28	7.44	6.32	97.27 (03/24)	Equity	MENA & SSA	United States	Open-End	10/11

# STATE OF THE SOUTH AFRICAN ETP Industry



By Mike Brown, Managing Director, [etfSA.co.za](http://etfSA.co.za)

The total market capitalisation of the entire South African Exchange Traded Product (ETP) industry increased from R165.4bn at the end of 2023, to 178.2bn at the end of the first quarter of 2024, a rise of 7.7%.

The listed index tracking business therefore continued its consistent growth of recent times, partly driven by the increase in the value of the foreign referenced ETPs that reflected the growth in global equities in the first quarter of this year, plus the raising of over R4.6bn from the issue of new ETP securities on the JSE, during the first three months of this year.

## NUMBER OF ETPS IN ISSUE

The number of ETPs in issue on the JSE rose slightly from 211 in December 2023 to 214 in March 2024. Satrix delisted three of the former Absa Capital ETFs that it took over in 2022, due to their incorporation into existing Satrix ETFs. Two new ETFs were listed by Satrix, the Satrix JSE Global Equity ETF and the Satrix MSCI ACWI Feeder ETF.

One new Actively Managed ETF was listed by Prescient during the first quarter, the Portfoliometrix Income AMETF.

Finally, two new AMCs were issued in the first quarter, namely the Standard Bank Kudala Wealth Honey Badger (AMC013) and the UBS Activ8 Growth Portfolio (UA8GRO).

Satrix Managers remains the largest purveyor of ETFs, by market capitalisation, growing from R52.3bn at the end of 2023, to R55.6bn at the end of the first quarter of 2024.

Sygnia Itrix maintains its second position, by market cap in the industry, with R45.5bn under management.

Absa Capital, which now only has three commodity ETFs in its stable, plus some historic ETNs, including its unique Euro, Dollar and UK Pound

currency notes, holds on to third place.

The fastest improvement in size comes from the 10X stable, which took over the CoreShares ETF business in late-2022. The AUM for 10X has grown from R5.6bn in March 2021 to R13.7bn in March 2024 and the issuer has been innovative in bringing the first actively managed ETF to the South African market.

First National Bank has consolidated, under the FNB brand, its single stock ETFs and the range of bond and equity ETFs it issued under the FirstRand bank. This consolidation now brings a total R12.5bn AUM to this Group.

Union Bank of Switzerland (UBS) has the most ETFs in issue (56), with its range of index tracking ETNs and Actively Managed Certificates (AMCs). The AMCs, by allowing third party managers to list actively managed portfolios of securities on the JSE, which mirrors the “white label” practice in the unit trust industry, has opened up the listed ETP route to a far wider range of portfolio managers. UBS, as the underwriter of the AMCs and ETNs, now has a total AUM of R9.9bn.

Prescient has been most recent addition to issuing houses of ETPs. It now has three ETFs and four AMETFs listed on the JSE, with a total value of R760.8m. The Prescient platform for the management and listing of products on the JSE is an important tool for growing the number of ETPs on the JSE and its future progress will be followed with interest.

## NEW CAPITAL RAISED

In total, R4.6bn new capital was raised in the first quarter of 2024, through new ETF issues, or from the creation of ETF securities by already listed ETPs. Exchange Traded Products are “open-ended” instruments and can therefore create or redeem new listed instruments, at any time, to meet the market demand for such products.

Although the capital raising analysis covers only a short period of three months, so is not really representative, Satrix Managers, which raised R1 570.6m in new capital, is clearly ahead of its rivals in bringing fresh capital to the JSE.

Invest, which issued R629.2m new Invest Gold ETPs, as investors looked to benefit from the rise in the US dollar gold prices, raised R1 182,9 million in total across its whole group.

Prescient Management Company, with its offering of Reitway global property ETFs and two new income AMETFs, was a surprise attractor of funds, with R616.5m new capital raised.

Number of Exchange Traded Products in Issue  
(end of period)

	2019	2020	2021	2022	2023	March 2024
Exchange Traded Funds (ETFs)	73	78	86	95	92	91
Exchange Traded Notes (ETNs)	29	59	82	66	69	69
Actively Managed Certificates (AMCs)	-	-	-	22	44	47
Actively Managed ETFs (AMETFs)	-	-	-	-	6	7
<b>Totals</b>	<b>102</b>	<b>137</b>	<b>168</b>	<b>183</b>	<b>211</b>	<b>214</b>

Source: [etfSA.co.za](http://etfSA.co.za) (Mar 2024).



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