AUGUST 2026 / VOL. 12 / ISSUE 08

AFRICA GLOBAL FUNDS

THE NEXT WAVE OF AFRICAN INFRASTRUCTURE INVESTMENT

- EAST AFRICA PRIVATE CAPITAL FUNDRAISING LANDSCAPE 2023–2025: DEAL FLOW, CONCENTRATION AND THE RETURN QUESTION
- TAKING AN OPERATOR-LED APPROACH TO AFRICAN PRIVATE EQUITY
- THE NEXT DECADE WILL REWARD AFRICAN EXCHANGES THAT INTERPRET STRUCTURAL CHANGE — NOT SIMPLY FACILITATE TRADING


AGF
SERVICE PROVIDERS
AWARDS 2026
SUBMISSIONS OPEN
DEADLINE
SEPTEMBER 7

WEB:

www.africaglobalfunds.com
X: AfricaGlobFunds
LinkedIn: Africa Global Funds

EDITORIAL:
Anna Lyudvig
a.lyudvig@africaglobalfunds.com

COMMERCIAL:
Roman Onosovski
r.onosovski@africaglobalfunds.com

SUPPORT/TECHNICAL:
support@africaglobalfunds.com

CONTRIBUTORS:
EAVCA
Yenni Leighton

Africa's infrastructure needs remain enormous, but the investment opportunity is becoming increasingly sophisticated. In this issue, Africa Global Funds speaks with Emile Du Toit, CIO at Harith General Partners, about how the continent's infrastructure landscape is evolving, from energy, digital connectivity and transport to water and regional trade corridors. He also examines the persistent challenges around project preparation, regulation and currency risk that continue to delay financial close. Read on p.12-13.

In this issue, we also examine the evolving landscape for private capital in Africa, with EAVCA's latest analysis exploring the gap between fundraising momentum and differentiated investment opportunity. The report looks at concentrated LP networks, overlapping deal flow, limited exit markets and the pressure to demonstrate realised returns, while considering what the next phase of East Africa's private capital market will require to build stronger manager diversity, deeper local capital and a more sustainable investment ecosystem (p.14-15).

In this issue, we also speak with Nico Christoforou, General Partner and Chief Investment Officer at Lighthouse Capital, about the firm's operator-led approach to African private equity. He discusses the opportunities emerging across fintech, renewable energy, healthcare and agribusiness, the growing importance of operational value creation, and what institutional investors should look for in African mid-market businesses (p.16-17).

Finally, Yenni Leighton, Founder of The Impetus Global, argues that exchanges must move beyond traditional measures such as listings and trading volumes to build institutional confidence, interpret emerging investment trends and position themselves as strategic gateways for international capital. Read on p.22.

We would like to remind that entries are open for the AGF Africa Service Providers Awards 2026. The awards are free to enter across multiple categories, enter via: https://agfawards.com/

For more up-to-date news, analysis and insights visit africaglobalfunds.com and don't forget to follow the magazine @AfricaGlobFunds on X and LinkedIn (Search for Africa Global Funds).

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

Published by
Africa Global Funds LLC

Fundraising & Fund Launches

Ninety One Closes Africa Credit Opportunities Fund 3 at $404 Million

Nathaniel Micklem
Co-Head of Emerging Market Alternative Credit
Ninety One

Ninety One has closed its third Africa Credit Opportunities Fund (ACO3) with $404 million in commitments, including leverage, from institutional investors across Africa, Europe, the UK, US and Canada.

The fund attracted capital from development finance institutions, pension funds and family offices, and is the third vehicle in Ninety One's Emerging Market Senior Credit strategy.

ACO3 focuses primarily on senior secured private credit opportunities, providing financing to established businesses and infrastructure projects across Africa and other emerging markets. The strategy uses conservative financial leverage and structural protections to target risk-adjusted returns for investors.

The fund has already built a portfolio of more than 30 investments across Africa, Latin America, Asia and Central and Eastern Europe. Its exposure spans communications, consumer businesses, financial services, healthcare, industrials and materials, with several investments already exited.

Ninety One said demand for private credit across Africa and other emerging markets continues to be supported by financing gaps and favourable supply and demand dynamics compared with developed markets.

Nathaniel Micklem, Co-Head of Emerging Market Alternative Credit, said the fund close reflected continued investor interest in emerging market private credit.

"The successful close of Africa Credit Opportunities Fund 3 reflects investors' continued confidence in the attractive opportunities available in Africa and emerging markets private credit," Micklem said.

He said the financing gap for businesses and infrastructure projects created opportunities for lenders with local origination capabilities. "Our long-standing presence, local expertise and partnerships position us to identify resilient investment opportunities that we believe can deliver compelling risk-adjusted returns while supporting sustainable economic growth," he added.

The ACO3 Fund also incorporates Ninety One's sustainability framework, with the strategy seeking to promote environmental and social characteristics alongside economic productivity.

Since inception, the Emerging Market Senior Credit strategy has raised $815 million across three funds and deployed more than $1.4 billion across more than 100 counterparties in over 30 countries, including recycled capital.

The fund is managed by Steven Loubser and Kobina (Kobi) Sam, Managing Directors within Ninety One's Emerging Market Alternative Credit team. The pair have an 18-year track record of managing private and alternative credit funds across emerging markets.

FUNDRAISING

CardinalStone Capital Advisers Raises $76 Million First Close For Second West Africa Fund

CardinalStone Capital Advisers (CCA), a West Africa-focused private equity fund manager, has reached a first close of $76 million for its second fund, CCA Growth Fund II.

The fund will build on the strategy of its predecessor, CCA Growth Fund I, which focused on helping high-growth small and medium-sized enterprises (SMEs) expand into regional businesses.

CCA Growth Fund II will target investment opportunities across West Africa, with Nigeria, Ghana, Côte d'Ivoire and Senegal serving as anchor markets. The fund is 2X qualified and will focus on investments supporting shared prosperity, equity and environmental sustainability.

The first close attracted investors from Africa and international markets, with significant participation from domestic pension funds and asset managers.

The International Finance Corporation (IFC), British International Investment (BII) and SCM Capital, which invested in the first fund, returned for the second vehicle. They were joined by new investors including the Dutch Good Growth Fund and CardinalStone Partners, alongside Nigerian pension funds Stanbic IBTC Pension Managers, Access ARM Pensions and FCMB Pensions.

Farid Fezoua, Director for Equity, Funds, and Venture Capital at IFC, said the investment would help address the shortage of long-term capital available to SMEs in West Africa.

"Small and medium enterprises are the engine of job creation in West Africa, yet far too many still lack access to the long-term capital they need to grow," Fezoua said. He added that the investment would connect high-potential businesses with capital and support to scale, create jobs and expand economic opportunity.

The strong participation from domestic institutional investors comes as development finance institutions increasingly seek to mobilise local capital alongside international investment.

Sara Taylor, Director and Head of Private Equity Funds and Co-Investments at BII, said mobilising domestic and international private capital was central to the institution's new strategy.

"The launch of the CCA Growth Fund II provides another milestone in demonstrating how DFIs can work with private institutions to drive investment where it is most needed," Taylor said.

CCA is led by Partners Femi Ogunjimi, Yomi Jemibewon and Shirley Somuah. The partners said the first close would allow the firm to continue investing in entrepreneurs and businesses with the potential to scale across the region.

"CCAGF II will allow the entire CCA team to continue to make impactful investments that deliver superior returns," they said.

CCA's first fund made commitments to seven SMEs, which the manager said contributed to more than 8,000 jobs and supported a further 1,000 SMEs across their respective value chains.

The second fund will build on that portfolio by targeting businesses addressing what CCA describes as key development priorities across West Africa, while seeking to generate financial returns for its institutional investor base.

DEALS

GuarantCo, Symbiotics Arrange $20 Million Facility For Côte D'Ivoire Cashew Plant

Dave Chalila
Head of Africa Investments
GuarantCo

GuarantCo, part of the Private Infrastructure Development Group (PIDG), has partnered with Symbiotics to arrange a $20 million debt facility for Robust International to finance a cashew processing plant and related infrastructure in Côte d'Ivoire.

GuarantCo provided a 100% payment default guarantee of up to $23 million, supporting the loan facility and helping mobilise private institutional capital for the project.

The transaction combines funding from institutional investor M&G Investments with uncovered funding from impact funds advised by Symbiotics Asset Management. The debt facility was provided through a Symbiotics-arranged vehicle, which issued covered notes benefiting from the GuarantCo guarantee. M&G subscribed to the covered notes in full, while impact funds advised by Symbiotics Asset Management subscribed to an uncovered tranche.

The financing will support the development of a greenfield cashew processing plant in Toumodi with annual processing capacity of 15,000 metric tons. It will also finance aggregation warehouse centres in Bouaké and Toumodi, with combined capacity of 44,000 metric tons per year.

The infrastructure is expected to strengthen seasonal procurement and inventory management while reducing Robust's reliance on leased warehousing.

Côte d'Ivoire is the world's largest cashew producer, but currently processes about 30% of its production domestically. Limited processing capacity, storage availability and financing have constrained the development of the local value chain. The project is expected to support the government's target of processing 50% of the country's cashew production domestically by 2030.

The transaction is forecast to support procurement from approximately 1,500 smallholder farmers and generate an estimated $79.2 million in additional export revenue. It is also expected to create 510 jobs, with women projected to account for 40% of short-term positions and 80% of long-term jobs.

The project also incorporates circular-economy measures, including the conversion of cashew shells into Cashew Nutshell Liquid and the sale of residual shell cake to a third party for conversion into fertiliser.

The transaction is the latest collaboration between GuarantCo, Symbiotics and M&G Investments and follows an earlier deal with Robust in Nigeria supporting local cashew processing. It also marks the second transaction involving Côte d'Ivoire's cashew industry for GuarantCo, following a 2025 deal with another producer.

John Marshall, British Ambassador to Côte d'Ivoire, said the investment demonstrates how UK-backed development finance can mobilise private funding while supporting the government's ambition to increase domestic cashew processing.

"This transaction demonstrates how UK-backed development finance can mobilise private funding and support the Ivorian Government's ambition to increase local processing of cashew nuts to 50% by 2030," he said.

Dave Chalila, Head of Africa Investments at GuarantCo, said the transaction largely replicates the structure and documentation used in the earlier Robust deal in Nigeria, helping reduce execution and delivery risks.

"We are delighted to continue our highly effective collaboration with

Symbiotics and M&G, driving innovation in sustainable infrastructure finance," Chalila said.

Vishanth Narayan, Group CEO of Robust International Group, said the investment would allow the company to source more cashews from local farmers, increase in-country value addition and create employment, particularly for women.

"By also converting cashew by-products into commercially useful materials, the project reflects our commitment to building a more efficient, sustainable and inclusive cashew value chain in Côte d'Ivoire," he said.

Philipp Jung, Head of Structuring & Arranging at Symbiotics UK, said the structure was designed to combine a matching-adjustment eligible investment with an uncovered tranche that meets the requirements of an impact investor.

The transaction is aligned with the UN Sustainable Development Goals on zero hunger and industry, innovation and infrastructure.

DEALS

Convergence Partners
Leads Series C in African Fintech Yellow

Brandon Doyle
CEO
Convergence Partners

Convergence Partners has led the Series C funding round for Yellow, a fintech providing asset-backed credit for smartphones and off-grid solar products across sub-Saharan Africa.

The investment builds on Convergence Partners' existing relationship with Yellow and supports the company's expansion across its key markets, including Malawi, Zambia, Uganda, Rwanda, Madagascar, the Democratic Republic of Congo and Nigeria.

Yellow employs more than 200 staff and has provided over one million customers with access to financing for smartphones and off-grid solar solutions. The company uses AI-enabled credit scoring to assess customers and provide financing for essential products.

Brandon Doyle, CEO of Convergence Partners, said the firm remained confident in Yellow's business and management team.

"Yellow has demonstrated significant progress since our initial investment. Our decision to lead this funding round reflects our continued belief in the business, its management team and the opportunity ahead," Doyle said.

The latest investment comes as Yellow seeks to expand its customer base and increase access to digital connectivity and electricity across African markets.

"Yellow is delighted to deepen our partnership with Convergence - the capital allows us to broaden our impact on the continent," said Mike Heynik, CEO of Yellow. "Having recently served customer number 1 million, their investment puts us on track to achieve our target of serving 10m customers with access to electricity and internet by 2030."

The investment is consistent with Convergence Partners' strategy of backing technology-enabled businesses addressing access to essential services across Africa.

DEALS

A.P. Moller Capital to Acquire
Majority Stake in Moroccan Logistics Firm Globex

A.P. Moller Capital is set to acquire a majority stake in Moroccan transportation and logistics company Globex Investissement through its Emerging Markets Infrastructure Fund II and APM Capital Morocco Fund.

The transaction will see the two funds establish a partnership with Globex founder and CEO Omar El Kadiri, who will continue to lead the company alongside its existing management team.

Globex operates across express delivery, road freight, freight forwarding and customs brokerage, supported by local market licensing agreements. The company has established a position in Morocco's transportation and logistics sector as the country develops its role as a regional logistics hub.

Kim Fejfer, CEO of A.P. Moller Capital, said the investment aligned with the firm's focus on transportation, logistics and North Africa.

"We are excited to partner with Omar El Kadiri through our investment which directly aligns with our core sector and geographic focus," Fejfer said. "Globex is an established market leader in transportation and logistics, a sector in which we have deep domain expertise and a strong regional presence, and Morocco is rapidly developing into the leading North African logistics hub, supported by strong macroeconomic tailwinds."

The partnership will also focus on Globex's sustainability strategy. A.P. Moller Capital said the company aims to develop into a green logistics leader in Morocco through initiatives including solar-powered hubs, electric vehicles and CO_2 reporting tools, alongside ESG governance standards.

Ghislane Guedira, CEO of APM Capital Morocco, said the combination of A.P. Moller Capital's sector experience and Globex's management team would support the company's expansion.

"With the combination of A.P. Moller Capital's sector heritage and Globex's strong management team, we look forward to supporting the company as it continues to strengthen its market position and contribute to the development of Morocco's transport and logistics sector, while maintaining a strong focus on sustainability," Guedira said.

El Kadiri will remain involved in the business as it enters its next phase of growth, with a focus on sustainable growth and long-term value creation.

Completion of the acquisition remains subject to customary conditions, including merger control clearance from the Moroccan Competition Council.

DEALS

BluePeak Invests $12 Million In Monty Mobile

Fulton Shiundu
Partner, Investments
BluePeak Private Capital

BluePeak Private Capital Fund II has made an initial $12 million investment in Monty Mobile International, the African hub of telecommunications and messaging provider Monty Mobile, as part of a broader financing partnership.

Monty Mobile provides application-to-person (A2P) messaging infrastructure that enables businesses and digital platforms to communicate with customers through one-time passwords, transaction alerts, financial notifications, delivery updates and other enterprise communications.

The company operates across 35 African countries through 15 mobile network operator partnerships, reaching an addressable market of approximately 66 million consumers.

BluePeak said the investment will support Monty Mobile's next phase of growth, including the expansion of its operator relationships and geographic reach.

"Monty Mobile combines essential digital infrastructure with a scalable, asset-light business model and deep relationships with mobile network operators across Africa," said Fulton Shiundu, Partner, Investments at BluePeak Private Capital.

"We see a clear opportunity to support the company's next phase of growth while strengthening the services that financial institutions, businesses and digital platforms increasingly depend on," he said.

SMS remains an important enterprise communications channel in many African markets, where smartphone ownership and data connectivity vary significantly. Banks, lenders, e-commerce platforms and other businesses continue to use text messaging for customer authentication, transaction notifications and other communications.

Monty Mobile connects enterprises and service providers with mobile networks across a fragmented telecommunications landscape. Its technology integrations and operator partnerships support the delivery of high volumes of messages across its markets.

"Africa is an important growth market for Monty Mobile, and this investment will allow us to deepen our operator relationships, expand our reach and serve more businesses across the continent," said Mountasser Hachem, Founder and CEO of Monty Mobile.

"BluePeak brings both capital and a strong understanding of African markets, making them a valuable partner as we continue to scale," he added.

The investment is consistent with BluePeak's strategy of backing businesses providing infrastructure that supports economic growth and digital inclusion.

Monty Mobile operates in markets including the Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Nigeria, Senegal, Tanzania and Uganda. Its services support financial services, e-commerce and other digital platforms through authentication, transaction alerts and enterprise communications.

BluePeak said the investment is expected to contribute to the UN Sustainable Development Goals on decent work and economic growth and industry, innovation and infrastructure.

The firm will track indicators including A2P messaging volumes, active African operator relationships, employment and the number of markets served.

The transaction also includes measures aimed at strengthening Monty Mobile's governance and gender-related policies. A Gender Action Plan will focus on increasing female representation in senior management and improving gender monitoring and accountability across the business.

EXITS

Amethis Exits Globex

Amethis has exited its investment in Globex, a Moroccan integrated logistics and transport company, concluding a four-year partnership with founder and CEO Omar El Kadiri and the management team.

Financial terms of the transaction were not disclosed. Completion of the acquisition remains subject to customary conditions, including merger control clearance from the Moroccan Competition Council.

Amethis invested in Globex in 2022 with the aim of supporting the company's expansion into a leading provider of integrated logistics services in Morocco. During the partnership, the private equity firm worked with management on commercial expansion, strategic acquisitions, organizational development and sustainability.

Founded in 1998 as an express delivery business operating under a FedEx licence, Globex has since expanded into a broader logistics platform serving domestic and international trade flows.

Its services now include express delivery, freight forwarding, customs and transit services, chartering, warehousing and road transport. The company serves a diversified base of corporate customers through a nationwide network.

A key step in the expansion came in 2024 with the acquisition of Logic Transport, which added business-to-business domestic and international road transport capabilities to Globex's offering.

Amethis also supported the company's institutionalization, including stronger governance and financial reporting and the recruitment of additional management talent.

Sustainability was another component of the investment programme. Amethis said the company conducted carbon footprint assessments and developed a decarbonization roadmap, with initiatives including fleet electrification, route optimization and energy-efficiency measures.

“Our partnership with Amethis has been instrumental in Globex's transformation over the past four years,” said Omar El Kadiri, Founder and CEO of Globex.

“Beyond providing growth capital, the Amethis team has been a true strategic partner, supporting us in executing our growth plan, completing the acquisition and integration of Logic Transport, strengthening our organization and advancing our sustainability agenda,” he said.

El Kadiri added that the partnership had helped create a stronger and more resilient company positioned for its next phase of development.

For Amethis, the investment reflects its strategy of partnering with entrepreneurs to develop established businesses into larger regional platforms.

“Our investment in Globex perfectly illustrates Amethis' approach of partnering with ambitious entrepreneurs to build regional champions,” said Wilfried Poyet, Senior Partner at Amethis.

Poyet said the firm and Globex had implemented a value creation strategy combining organic growth, mergers and acquisitions, operational improvements, organizational strengthening and ESG initiatives.

“In less than four years, we have successfully built a national leader in integrated logistics,” he said.

Amethis was founded by Luc Rigouzzo and Laurent Demey and is a member of Edmond de Rothschild Private Equity Partnership. The firm said it has raised more than €1.4 billion and completed more than 50 investments across Europe, Africa and the Middle East.

The firm has seven offices in Paris, Abidjan, Casablanca, Nairobi, Cairo, Cape Town and Luxembourg.

INVESTORS

Africa50 Secures New Capital to
Scale African Infrastructure Investment

Africa50 has secured new investment commitments and strategic partnerships as it seeks to mobilise more capital for infrastructure projects across Africa, with new initiatives spanning energy, electricity transmission, healthcare and infrastructure funds.

One of the key developments is a $20 million commitment from British International Investment (BII) to the Africa50 Infrastructure Acceleration Fund (IAF), making BII the fund's latest limited partner and bringing total commitments to approximately $330 million.

BII has also signed a Memorandum of Understanding with Africa50 to identify opportunities for co-investment, co-financing and capital mobilisation across African infrastructure.

The IAF invests in equity and quasi-equity across sectors including power, transport and logistics, water and sanitation, and digital and social infrastructure. Africa50 said the fund is designed to invest in projects and operating platforms across the continent.

The new partnerships also include a proposed small-scale liquefied natural gas project in Tanzania. Africa50, the Tanzania Petroleum Development Corporation (TPDC) and TAQA Arabia are working on the first phase of a project intended to distribute domestic natural gas to industrial and transportation customers across the country.

Africa50 is developing the project with TAQA Arabia and TPDC, with the partners seeking to establish a bankable model that can be replicated in Tanzania and elsewhere.

“This agreement reflects Tanzania's commitment to using its natural gas resources to support national development,” said Mussa M. Makame, Managing Director of TPDC. “As a gas supplier to this project, TPDC will work with the project partners to broaden domestic access to cleaner, reliable energy and create greater value for the Tanzanian economy.”

Africa50 has also signed an MoU with Tanzania Electricity Supply

Company (TANESCO) covering the development of electricity transmission public-private partnerships. The collaboration is expected to support the development of Tanzania's first Independent Power Transmission project, building on Africa50's transmission project in Kenya.

"Partnering with Africa50 provides Tanzania with strategic project-development and financing expertise as we unlock private capital for Africa's transmission infrastructure," said Engineer Timoth Mgaya, Acting Managing Director of TANESCO.

The partnership, he added, would support the development of East Africa's power market and the role of energy in industrial development and economic integration.

In healthcare, Africa50 and Tanzania's Ministry of Health have agreed to collaborate on expanding the country's capacity to provide kidney and renal care. The initiative is intended to support investment in healthcare infrastructure, equipment and long-term operating capabilities.

The agreements come as Africa50 seeks to translate its infrastructure investment platform into projects and services across the continent.

"This project will turn Tanzania's abundant gas resources into reliable energy for industry, communities and transport, strengthening energy security and accelerating industrialization," said Pakinam Kafafi, CEO of TAQA Arabia subsidiary Rosetta Energy Solutions.

BII CEO Leslie Maasdorp said the partnership reflected a shared objective to mobilise additional capital for infrastructure.

"Africa's infrastructure needs are significant, but so are the opportunities," Maasdorp said. "By combining our expertise, networks and capital, we can help unlock investment that drives growth, creates jobs and improves lives."

Africa50 Group CEO Alain Ebobissé said the organisation's focus remained on developing bankable projects, mobilising finance and accelerating infrastructure delivery.

"Africa50 was created to develop bankable projects, mobilize finance for investments in Africa's infrastructure and accelerate delivery," Ebobissé said. "We are now ready to raise our ambition, translating the vision of African leaders into infrastructure investments at scale."

The latest commitments expand Africa50's activity across both project development and fund management, while bringing additional public and private capital into infrastructure opportunities in African markets.

INVESTORS

BII, Africa50 Partner to Mobilise Capital for African Infrastructure

Leslie Maasdorp
CEO
BII

British International Investment (BII) has signed a Memorandum of Understanding with Africa50 to strengthen collaboration and mobilise more investment into infrastructure across Africa.

Announced at the Infra for Africa Forum 2026 in Tanzania, the partnership establishes a framework for cooperation on infrastructure financing and development, including co-financing, co-investment and capital mobilisation.

The agreement comes as African countries continue to face a significant infrastructure financing gap, with investment needs spanning power, transport, water and digital infrastructure.

As an initial step under the partnership, BII has committed $20 million to the Africa50 Infrastructure Acceleration Fund, managed by Africa Infrastructure Investment Partners, a subsidiary of Africa50. The fund invests in infrastructure projects and platforms across power and energy, water and sanitation, transport and logistics, and digital and social infrastructure.

BII's commitment brings the fund to a fourth close of approximately $330 million, alongside the African Development Bank, International Finance Corporation and more than 20 African institutional investors.

Leslie Maasdorp, CEO of BII, said the partnership and fund investment reflected the institution's commitment to mobilising capital into infrastructure needed to support businesses, create jobs and improve living standards.

"Africa's infrastructure financing gap remains one of the biggest barriers to sustainable growth and development across the continent," Maasdorp said. "By combining our expertise, networks and capital, we can help unlock greater investment into critical sectors while strengthening the pipeline of infrastructure opportunities that will drive long-term economic development."

Africa50 CEO Alain Ebobissé said public capital alone would not be sufficient to meet the continent's infrastructure requirements.

"Africa's infrastructure needs cannot be met by public capital alone," Ebobissé said. "Delivering infrastructure at the speed and scale the continent requires depends on mobilising long-term private and institutional capital through strong partnerships."

He added that BII's commitment to the Infrastructure Acceleration Fund demonstrated the organisations' shared objective of scaling infrastructure investment and strengthening project delivery.

The partnership supports BII's strategy of mobilising additional capital into African infrastructure through co-financing opportunities and the development of a stronger pipeline of bankable projects.

For Africa50, the agreement adds to its role in developing, investing in and mobilising capital for infrastructure projects across the continent.

INVESTORS

AfDB Invests US$332 Million in Standard Bank Social Bond

The African Development Bank (AfDB) has invested US$332 million (ZAR5.4 billion) in a social bond issued by Standard Bank Group to expand financing for small and medium-sized enterprises (SMEs) across South Africa, while also supporting the country's evolving banking framework.

The investment is complemented by a US$1 million (ZAR16 million) technical assistance grant through the AfDB's Affirmative Finance Action for Women in Africa (AFAWA) programme, funded by the Women Entrepreneurs Finance Initiative (We-Fi). The grant will help address barriers faced by women entrepreneurs by providing digital payment tools to build verifiable credit histories and enterprise development support for women-led SMEs.

Together, the financing and technical assistance are intended to strengthen Standard Bank's capacity to increase lending to SMEs, including women-owned businesses.

The facility is structured as a Flac instrument, a new class of debt introduced by the South African Reserve Bank in January 2026 as part of the country's phased implementation of a bank resolution framework.

The security has been issued as a social bond listed on the Johannesburg Stock Exchange (JSE), making it Standard Bank Group's first JSE-listed Flac instrument dedicated to financing projects with social objectives.

“This investment reflects the African Development Bank's commitment to strengthening Africa's financial architecture while directing long-term capital to where it is needed most—South Africa's small businesses and entrepreneurs,” said Kennedy Mbekeani, the Bank's Director General for Southern Africa and Country Manager for South Africa. “By partnering with Standard Bank Group, we are simultaneously helping to build a more resilient banking system and supporting the SMEs that drive jobs and inclusive growth.”

Standard Bank has committed to allocating the full ZAR5.4 billion to SME financing, with a particular focus on women-led businesses to help address the persistent gender financing gap in South Africa's small business sector.

“We are delighted to close another landmark transaction with the AfDB, following the successful 2024 transactions,” said Luvuyo Masinda, Chief Executive of Corporate and Investment Banking at Standard Bank Group.

“This social Flac issuance will further enable the group to deliver on our purpose - 'Africa is our home; we drive her growth'. SMEs are a critical driver of economic growth and job creation. They are the backbone of South Africa's economy, with approximately 3.2 million SMEs accounting for 60% of jobs, so ensuring these businesses have support and access to finance is imperative to our collective growth aspirations.”

Bill Blackie, Chief Executive of Business and Commercial Banking at Standard Bank, said the additional funding would strengthen the bank's ability to support smaller businesses while expanding targeted initiatives for women entrepreneurs.

“We see first-hand the critical role that SMEs play in driving prosperity and job creation,” Blackie said. “This deal, together with our partnership with the AfDB, strengthens our ability to back the businesses that underpin inclusive economic growth. We are especially excited about the technical assistance grant, which will allow us to fund key initiatives that deliver direct, tangible benefits to women-led SMEs.”

> **This social Flac issuance will further enable the group to deliver on our purpose - 'Africa is our home; we drive her growth'. SMEs are a critical driver of economic growth and job creation. They are the backbone of South Africa's economy, with approximately 3.2 million SMEs accounting for 60% of jobs**
>
> Bill Blackie, Chief Executive of Business and Commercial Banking at Standard Bank

The African Development Bank said the transaction is also intended to promote broader adoption of international banking standards across the continent.

“This transaction is designed to be catalytic, encouraging the broader adoption of international best practice in banking across the African continent,” said Ahmed Attout, Director of the Financial Sector Development Department at the African Development Bank.

The latest investment builds on a long-standing partnership between the AfDB and Standard Bank that dates back to 2008. It follows the Bank's approval in November 2024 of a ZAR3.6 billion subordinated debt facility for Standard Bank Group and a US$200 million risk participation agreement with The Standard Bank of South Africa to support trade finance across Africa.

According to Standard Bank, the 2024 facility had been fully deployed by December 2025, supporting 5,425 SMEs—exceeding its original target of 4,000 businesses—with financing directed to companies operating in agriculture, retail, wholesale trade and manufacturing.

Markets & Industry News

Kenya's Domestic Borrowing Could Reshape Bank Lending

David Precious
Senior Market Analyst
EBC Financial Group

Kenya's plan to raise KSh 995.7 billion from the domestic market in the 2026/27 fiscal year could influence how banks balance lending to businesses against investing in government securities, according to EBC Financial Group.

The National Treasury's FY2026/27 Budget Summary projects a fiscal deficit of KSh 1.112 trillion, equivalent to 5.3% of GDP, with net external financing expected to contribute only KSh 116.2 billion. As a result, domestic investors are expected to finance the majority of the funding gap.

Borrowing in local currency reduces exchange-rate risk because repayments are denominated in Kenyan shillings rather than foreign currencies. However, EBC said increased issuance of Treasury bills and bonds could encourage banks to allocate more capital to government debt instead of extending loans to businesses.

"Treasury bills and bonds can offer banks a more predictable return without the same level of company checks required for a business loan," said David Precious, Senior Market Analyst at EBC Financial Group.

"That said, banks may offer smaller loans, request more collateral or shorten repayment periods for firms they consider riskier. Smaller businesses could face stricter terms even while total private-sector credit grows."

The potential shift comes as Kenyan banks already have significant exposure to government debt.

According to the World Bank's July 2026 Kenya Economic Update, commercial banks held approximately KSh 2.2 trillion in government securities in March 2026, representing around 27% of banking sector assets.

With more than a quarter of bank assets already invested in government securities, EBC noted that further domestic borrowing could intensify competition for available capital. The World Bank has warned that heavier domestic borrowing may crowd out private-sector credit, weighing on investment and economic demand.

Government securities typically provide predictable returns without the extensive credit assessments required for commercial lending, making them an attractive option for banks. As a result, lenders may increasingly prioritize stronger corporate borrowers while tightening lending standards for smaller businesses.

For many small and medium-sized enterprises (SMEs), this could translate into reduced overdraft facilities, smaller loan sizes, shorter repayment periods, or higher collateral requirements.

The Central Bank of Kenya's 2024 Survey Report on MSME Access to Bank Credit found that term loans and overdrafts account for more than 85% of MSME lending, while collateral requirements remain one of the biggest barriers to accessing formal finance.

The report also found that micro-enterprises generally receive shorter loan tenors because they are viewed as higher-risk borrowers.

EBC noted that these tighter lending conditions could have wider economic implications.

Manufacturers may delay equipment purchases if financing becomes more restrictive, while distributors could reduce inventory if overdraft facilities are cut back, potentially slowing production, supplier activity and job creation.

Despite these concerns, private-sector credit has been recovering.

The Central Bank of Kenya's April 2026 Monetary Policy Committee reported annual private-sector credit growth of 8.1% in March, compared with negative growth in early 2025, while average lending rates declined to 14.7%.

The central bank's December 2025 Monetary Policy Statement projects credit growth of 10.6% by the end of 2026, supported by lower borrowing costs.

However, EBC cautioned that headline credit growth may not reflect how funding is distributed across the economy. Lending could remain concentrated among larger companies with stronger balance sheets and higher-quality collateral, leaving smaller businesses with limited access to financing despite overall market expansion.

Banks also continue to contend with elevated credit risks.

According to the World Bank, gross non-performing loans accounted for 15.6% of total loans in March 2026, down from 17.4% a year earlier but still representing a key vulnerability for the banking sector.

High levels of impaired loans may encourage lenders to strengthen underwriting standards, increase collateral requirements and prioritize borrowers with established repayment records.

At the same time, banks are preparing for higher capital requirements.

While the Banking Act currently requires minimum core capital to increase from KSh 1 billion to KSh 10 billion by the end of 2029, the FY2026/27 National Treasury Budget Statement proposes extending the deadline to December 2032 and removing interim annual milestones.

The extension would provide smaller lenders with additional time to raise capital, retain earnings or pursue mergers, but EBC said the higher capital threshold remains in place and could continue to influence lending decisions.

According to the firm, banks seeking to strengthen capital positions may favor investments in government securities or larger, well-collateralized borrowers over higher-risk SME lending.

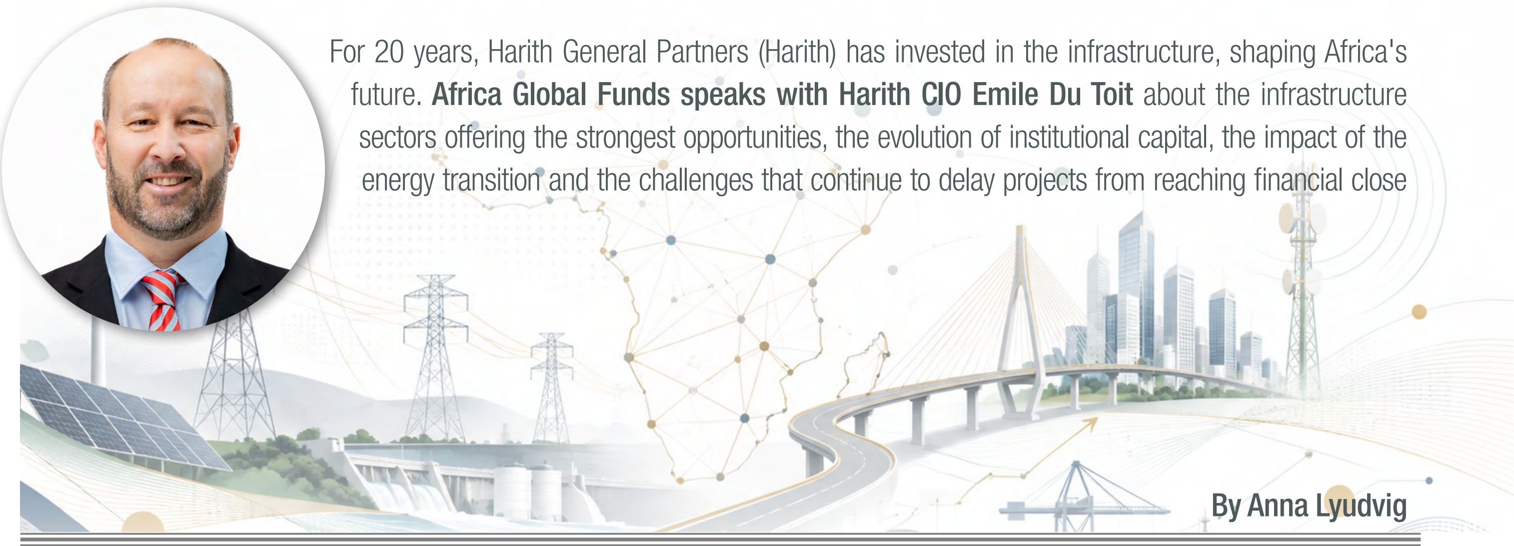
While government borrowing and private-sector lending can grow simultaneously, EBC said the key question is whether smaller businesses continue to receive adequate access to credit.

"The clearest signal sits beneath the headline numbers," Precious said.

"If private-sector credit expands while MSME lending lags, the crowding-out concern may have moved from risk to reality," he said.

THE NEXT WAVE OF AFRICAN INFRASTRUCTURE INVESTMENT

For 20 years, Harith General Partners (Harith) has invested in the infrastructure, shaping Africa's future. **Africa Global Funds speaks with Harith CIO Emile Du Toit** about the infrastructure sectors offering the strongest opportunities, the evolution of institutional capital, the impact of the energy transition and the challenges that continue to delay projects from reaching financial close



By Anna Lyudvig

ANNA LYUDVIG (AL): WHAT INFRASTRUCTURE INVESTMENT TRENDS ARE YOU SEEING ACROSS AFRICA RIGHT NOW?

EMILE DU TOIT (EDT): Investors and governments are increasingly treating infrastructure – power, transport, digital and water – as interconnected ecosystems rather than isolated projects, because that's how value gets unlocked at scale. Local capital markets are also maturing, with domestic pension funds, sovereign infrastructure bonds and blended finance playing a bigger role than five years ago, reducing the continent's overreliance on foreign-currency debt.

Global shocks in energy and supply chains have sharpened the focus on resilience - infrastructure needs to absorb disruption, not just look good on paper. Reliable power, water and transport working together to support industrialisation is another emerging pattern.

Gulf interest in African renewables, green hydrogen and logistics is growing, particularly across North Africa, and emerging Power-to-X value chains are gaining momentum. In South Africa particularly, there is an increasing willingness to partner with private-sector providers of infrastructure, especially in sectors where the existing SOEs have struggled to provide new capacity due to various constraints.

AL: WHICH INFRASTRUCTURE SECTORS OFFER THE STRONGEST OPPORTUNITIES FOR INVESTORS?

EDT: Energy remains the anchor sector, mostly gas-fired thermal capacity as well as renewables paired with transmission and storage. Generation without evacuation infrastructure is a dead end, and that's where much of the real opportunity sits.

Digital infrastructure such as fibre, data centres and towers is close behind, driven by Africa's data consumption growth. Transport and logistics corridors supporting regional trade under the AfCFTA are increasingly bankable, especially rail and port infrastructure linked to critical minerals value chains.

Water and sanitation are underinvested relative to their urgency, particularly given South Africa's own needs, which typically signals opportunity for patient capital, including investment that strengthens water security as urbanisation and climate pressures intensify.

We also see potential in rail and public transport, as growing congestion in African cities will require investment in commuter rail and integrated mass transit, alongside the continued need for roads and bridges.

These sectors are interconnected - reliable water and electricity enable industry, while effective transport lets goods and people move efficiently.

AL: WHAT ARE HARITH'S INVESTMENT PRIORITIES ACROSS AFRICA'S INFRASTRUCTURE SECTOR?

EDT: Our priority is infrastructure that is both commercially sound and structurally important to the economies we operate in, such as energy, transport or digital assets that unlock broader economic activity rather than sit in isolation.

We remain disciplined about backing platforms with strong operating partners and credible offtake fundamentals, because bankability ultimately determines whether good intentions become built assets. Increasingly, we're prioritising projects with a clear regional integration angle, focusing on assets that strengthen cross-border connectivity.

Our investment in Traxtion is a clear case study - it shows how rail operating capability can support regional freight movement and industrial activity as part of wider transport and energy systems.

Water is also forming part of the broader opportunity, particularly where investment improves resilience, supports industry and secures essential services for growing communities, which is an area we're exploring in collaboration with Mergence and ARM Harith.

AL: WHERE ARE YOU SEEING THE GREATEST DEMAND FOR NEW INFRASTRUCTURE?

EDT: Power remains the single greatest area of unmet demand, and reliable, affordable electricity is still the binding constraint on industrialisation across much of the continent.

Beyond that, we're seeing strong demand around digital connectivity and transport corridors that reduce the cost of moving goods across borders. East and Southern Africa show particular appetite for independent power and transmission projects, while demand for logistics and port capacity is rising wherever mineral value chains are being built out.

Transport demand extends beyond individual assets to integrated economic corridors. The N2 Wild Coast programme, including the Msikaba and Mtentu bridges, shows how strategic transport infrastructure can improve connectivity, reduce travel times and unlock underserved regions. Kenya's Standard Gauge Railway, connecting Mombasa with Nairobi, illustrates similar corridor thinking.

Large industrial developments such as refineries, mines and manufacturing hubs also create secondary demand for roads, rail, ports and distribution infrastructure.

AL: HOW IS THE ENERGY TRANSITION SHAPING INFRASTRUCTURE INVESTMENT ACROSS AFRICA?

EDT: The energy transition is no longer a side conversation; rather, it is central to how infrastructure gets financed.

Renewables have become the most bankable form of new generation in many markets, but the transition is also reshaping adjacent infrastructure - grid modernisation, storage, and the fuel logistics needed to manage interim reliance on other energy sources.

What matters for Africa specifically is that the transition must be a balanced one that expands access and supports industrialisation, not simply decarbonising on paper. That's the lens we apply when evaluating energy assets.

Through projects such as Nant Power, Harith is supporting cleaner, more reliable energy while recognising the role flexible gas-to-power capacity plays in strengthening energy security alongside renewable generation.

AL: ARE YOU SEEING MORE INSTITUTIONAL CAPITAL MOVING INTO AFRICAN INFRASTRUCTURE?

EDT: Yes, gradually. Pension funds, asset managers and insurers are a growing source, supported by regulatory reforms slowly opening room for infrastructure allocations.

Internationally, we're seeing continued interest from development finance institutions and a broader mix of sovereign and strategic investors beyond the traditional Western base. The trend is encouraging, but the pace still significantly lags the opportunity.

Closing that gap means building a stronger pipeline of bankable, de-risked projects that institutional capital can underwrite with confidence. Appetite is clearest where projects are scalable and aligned with sustainability mandates.

Copenhagen Infrastructure Partners' investment in Mulilo is a strong example of global capital entering South Africa through a renewable-energy platform with an established portfolio. European and Scandinavian investors apply rigorous ESG requirements, which is why renewables, water, transmission and storage often provide more accessible entry points.

Gulf investors are also becoming more prominent across renewables, green hydrogen and logistics projects.

AL: WHAT ARE THE BIGGEST BARRIERS TO GETTING INFRASTRUCTURE PROJECTS TO FINANCIAL CLOSE?

EDT: Project preparation is still the biggest bottleneck. We see too many projects arrive without the technical, legal and commercial groundwork needed to attract serious capital.

Currency risk, and the mismatch between dollar-denominated financing and local-currency revenues, remains persistent, as does inconsistent regulatory certainty across jurisdictions. Procurement delays and public-sector governance issues also slow things down.

None of these barriers are insurmountable, but they mean financial close often takes longer, and costs more, than it should.

> **"The challenge, then, is not simply a shortage of capital but a mismatch between the projects available and the standards that capital requires, both in terms of proper risk allocation and ESG outcomes**
>
> Emile Du Toit, CIO, Harith

The challenge, then, is not simply a shortage of capital but a mismatch between the projects available and the standards that capital requires, both in terms of proper risk allocation and ESG outcomes.

AL: WHAT WILL BE KEY TO ACCELERATING PRIVATE INVESTMENT IN AFRICA'S INFRASTRUCTURE OVER THE NEXT FEW YEARS?

EDT: Three things stand out.

First, a stronger pipeline of well-prepared, bankable projects. Capital is available, but it needs projects it can underwrite.

Second, deeper local capital markets, willing to invest in and back private infrastructure managers who provide the much-needed equity investments into new projects. While a shortage of equity capital is still prevalent, debt availability for good projects is not really a problem.

Third, more consistent and better-balanced policy and regulatory frameworks that give investors confidence to commit for the long term.

If we get these three right, the next few years could see a meaningful step-change in private capital flows into the continent's infrastructure.

Africa and its leaders must also improve institutional-investor readiness, thereby integrating technical preparation, commercial structuring, environmental and social safeguards, governance and impact measurement from the outset.

Greater coordination between governments, development partners, local institutions and private sponsors will help convert opportunities in water, public transport, energy generation and transmission, and cross-border logistics into investable projects.

EAST AFRICA

PRIVATE CAPITAL FUNDRAISING LANDSCAPE 2023-2025:

DEAL FLOW, CONCENTRATION AND THE RETURN QUESTION

By EAVCA

Capital flowing into a market and capital finding differentiated opportunity within it are two different things. The preceding sections of this report document the first. This section examines the second. The structural features of East African private capital, concentrated LP relationships, shared DFI validation networks, a limited pool of visible success stories, create conditions in which multiple fund managers, each operating in good faith, can arrive at the same companies, the same valuations, and ultimately the same return constraints.

PORTFOLIO CONCENTRATION

IFC alone appears in 26 single-name fund commitment records between 2023 and 2025. EIB appears in 17. These two institutions collectively participated in the LP registers of virtually every significant fund close in the dataset. When the same LP relationships underpin the majority of a market's fund managers, those managers inevitably share networks, attend the same events, and receive similar market intelligence through their common institutional connections. LP concentration at the top produces GP convergence at the portfolio level below. The dataset shows that deal flow appears concentrated around a small set of established platforms, infrastructure vehicles, pan-African managers, and large DFI-backed transactions. The top five fund managers by disclosed value represent 33% of the total, and the top ten represent 49%. A manager may have strong access to the visible pipeline while still having limited exposure to the less intermediated parts of the economy, including smaller local businesses, secondary cities, and sectors outside the standard DFI thematic set. When multiple DFI-backed VC funds are simultaneously circling the same cohort of Series A and B companies in Nairobi's technology ecosystem, the competitive dynamic is one of reconfirmation rather than discovery. GPs are not finding companies that others have missed. They are finding the same companies, validating one another's conviction, and collectively driving valuations upward in a market where the exit pool is too thin to support those valuations. EAVCA's data points to a pattern worth examining. Certain company names appear repeatedly across public fund disclosures from managers with different asset class mandates, different geographies, and different LP bases. The same proof points are being used to validate different theses simultaneously. This is not evidence of wrongdoing. It is evidence of a market where the base of publicly visible, institutionally validated success stories is narrower than the volume of capital being raised against it would suggest.

THE MARKET KNOWLEDGE GAP

East African fund managers face a challenge that is both structural and reputational: proving that being on the ground translates into genuine market advantage. The implicit claim of any Africa-focused GP is that proximity creates proprietary deal flow, relationships, referrals, and market intelligence that an LP operating at a distance from the market cannot replicate without them.

The fundraising patterns in this dataset suggest that claim remains unproven. Four observations support that reading.

First, on deal flow: in the majority of fund commitments in the dataset, investment mandates are shaped as much by LP requirements, sectoral focus, gender lens, climate mandate, as by GP-identified market opportunity. GPs are frequently responding to LP specifications rather than leading with proprietary insight about where the opportunity lies.

Second, on conviction: the prevalence of four to eight DFI co-investors in a single fund suggests that GPs are seeking collective institutional validation as a complement to, rather than a product of, their own market conviction. The depth of local intelligence a GP holds should reduce the number of validators needed to proceed, not increase it.

Third, on geography: GPs routinely claim pan-East Africa mandates but concentrate activity in the two or three markets where LP due diligence infrastructure already exists. The deeper geographies named in their own mandate language remain largely untouched.

Fourth, on narrative: the same company names appear across fund disclosures from multiple GPs across multiple years. The market's proof points are shared vocabulary, not proprietary evidence of any individual manager's market edge.

None of this is a criticism of individual GPs. It is a structural observation about a market where concentrated LP capital, shared information networks, and limited exit precedents create conditions that reward convergence over differentiation. Understanding that dynamic is the first step toward changing it.

THE RETURNS LOOP

The market knowledge gap matters because it has a direct consequence for returns, and therefore for the long-term credibility of East Africa as an investable destination.

When GPs lack genuinely differentiated deal flow, they compete for the same companies. Competition among buyers in a thin market drives entry valuations upward, particularly where comparable transactions are scarce and pricing benchmarks are shaped by LP expectations rather than arms-length market evidence.

Inflated entry valuations, combined with shallow exit markets, compress the return multiple available at exit. Public equity markets in the region remain an underdeveloped exit venue for private capital-backed companies. Strategic acquirer depth is limited. The gap between what a company was valued at entry and what the market will pay at exit is, in too many cases, wider than the return model assumed.

The return question should therefore be framed carefully. A large pipeline, strong development additionality, or repeated DFI backing does not by itself demonstrate attractive net returns. The market must distinguish between fundraising momentum, deployment, realised exits, unrealised value creation, and net performance after fees, carry, currency effects, and write-offs. Concentration also matters at the portfolio level: a fund may appear diversified by number of investments while remaining exposed to the same country, currency, macro factor, sponsor network, or exit buyer.

Compressed exit multiples make it difficult for fund managers to demonstrate DPI, meaning Distributions to Paid-In Capital, the metric that shows LPs actual cash returned rather than paper gains. DFIs, operating under increasing pressure from their own governance frameworks to show realised rather than paper returns, require credible DPI evidence before committing to a successor fund.

Without strong DPI track records, LP capital gravitates toward the small cohort of established managers with enough vintage history to show partial realisation. Capital concentrates further. The emerging manager base is starved of the institutional validation it needs to grow. And the cycle tightens. The result is a market growing in capital raised but not yet generating the realised return evidence needed to become self-sustaining.

The exits are coming. The multiples will be proven. The question this report puts to the ecosystem is not whether those things will happen, but whether the structural conditions, the manager diversity, the exit infrastructure, the local capital base, are being built quickly enough to meet them. What the next phase requires is the realised return evidence that converts a compelling thesis into a proven market.

THE NEXT PHASE

The structural conditions described in this section are not permanent features of East Africa's private capital market. Manager diversity, exit infrastructure, local capital mobilisation, and the transparency that turns a compelling track record into institutional credibility, these are the pressure points EAVCA's advocacy agenda is built around, and the Association exists precisely to move these conversations from observation to action. This analysis is not published as a counsel of caution. It is published as a call to action, directed at every GP, LP, DFI, regulator, and local institution whose capital, mandate, or influence touches this market. East Africa's private capital ecosystem has earned the right to be proven. The work of proving it is collective. And it starts with the honesty this section has attempted.

THE PATTERN:

When the same handful of companies serve as proof points across the materials of GPs spanning venture capital, private equity, and private credit, it raises a question worth asking openly: how deep is the success story base that the African investment thesis currently rests on?

What matters is whether the next generation of those companies is being found, or whether the same names will still be doing that work in five years.

THE ARTICLE IS PART OF THE EAST AFRICA PRIVATE CAPITAL FUNDRAISING LANDSCAPE 2023-2025 REPORT PUBLISHED BY EAVCA

TAKING AN OPERATOR-LED APPROACH TO AFRICAN PRIVATE EQUITY

By: Anna Lyudvig

As Africa's private equity market matures, investors are increasingly looking beyond capital provision to operational expertise, governance and credible exit strategies. For Lighthouse Capital, a private equity firm created by entrepreneurs, for entrepreneurs, that means partnering with mid-market businesses where hands-on support can help turn strong commercial fundamentals into scalable, institutional-quality companies.

In an interview with Africa Global Funds, **Nico Christoforou, General Partner and Chief Investment Officer at Lighthouse Capital**, discusses where the firm sees the most compelling opportunities across Africa, why operational value creation is becoming central to private equity returns, and what institutional investors should look for when assessing opportunities.

ANNA LYUDVIG (AL): AFRICA'S MID-MARKET IS ATTRACTING GROWING INVESTOR ATTENTION. WHERE DO YOU SEE THE MOST COMPELLING PRIVATE EQUITY OPPORTUNITIES EMERGING TODAY?

NICO CHRISTOFOROU (NC): I'm most excited by mid-market businesses in fintech and technology, financial inclusion, and a growing set of opportunities in renewable energy and healthcare. These sectors sit at the intersection of Africa's rising middle-class consumption, improving infrastructure, and attractive entry valuations.

In many cases, technology is the lever that's unlocking value: agribusiness processors, for example, are now adding value locally rather than exporting raw commodities, capturing margin that used to leave the continent, while fintech platforms are leapfrogging legacy banking infrastructure to serve underbanked SMEs and consumers directly. These are businesses with real earnings, real customers, and real export potential, not early-stage bets on a market narrative.

AL: AFRICA'S MID-MARKET BUSINESSES ARE OFTEN DESCRIBED AS HAVING STRONG COMMERCIAL FUNDAMENTALS BUT REQUIRING GREATER OPERATIONAL MATURITY. HOW CAN PRIVATE EQUITY FIRMS CREATE VALUE BEYOND SIMPLY PROVIDING CAPITAL?

NC: Capital alone rarely fixes what mid-market African businesses actually need, which is stronger processes, systems, and corporate governance. An investor who gets directly involved in the first 100 days post-investment, helping the entrepreneur access a broader network of buyers and suppliers, installing KPI reporting, tightening financial controls, and professionalising management, sets up a real pathway to scale operations and sales — and that's what we do at Lighthouse Capital.

For instance, a well-run manufacturing business might have strong local demand but lack the reporting discipline institutional buyers expect at exit. Closing that gap — governance, systems, and depth in management capability — is often what determines whether a company is exit-ready in five years or stays a strong regional player with no credible third-party buyer.

AL: HOW IMPORTANT IS OPERATIONAL VALUE CREATION BECOMING TO PRIVATE EQUITY RETURNS IN AFRICA?

NC: It's becoming central, not supplementary. Multiple expansions, buying cheap and hoping valuations rise, is a less reliable return driver in African markets given currency volatility and thinner exit markets than in the US or Europe. Instead, returns increasingly come from EBITDA growth achieved through operational improvement: professionalising management, improving margins, and building export capacity that provides a natural currency hedge.

This requires genuine local presence. Investments managed remotely by teams based far from the markets they're deploying into tend to lack the on-the-ground understanding needed to execute well. Effective investing in African businesses combines local market knowledge with institutional discipline — hands-on involvement, close monitoring, and ongoing evaluation.

In practice, that means on-the-ground sourcing and selection across key high-growth geographies, deep specialisation within mandated sectors, and active value creation rather than simply providing capital or relying on financial engineering. It also means prioritising businesses that already show strong management and product or service capability, so the investor's role is guiding value creation rather than remedial intervention.

Firms that operate this way, as active operators rather than passive financiers, are the ones generating repeatable, defensible returns. Increasingly, that's what LPs are asking to see evidence of in due diligence.

AL: WHAT CHARACTERISTICS SHOULD INSTITUTIONAL INVESTORS AND LPS LOOK FOR WHEN ASSESSING AFRICAN PRIVATE EQUITY OPPORTUNITIES BEYOND HEADLINE REVENUE GROWTH, VALUATIONS AND MARKET SIZE?

NC: LPs should look closely at three things: governance track record, currency and macro risk management, and exit pathway credibility.

A fund's screening process matters as much as its pipeline — does it apply consistent, weighted criteria around management quality, ESG, and scalability, or is it deal-by-deal opportunism? Currency exposure also deserves real scrutiny: does the manager favour exportable products and services as a natural hedge, or rely purely on expensive synthetic instruments?

Finally, LPs should press managers to identify realistic exit routes upfront. Strategic buyers and regional consolidation are often more credible paths in African mid-market deals than IPOs, and a manager's stated exit strategy should reflect that reality.

AL: LOOKING AHEAD OVER THE NEXT FIVE TO 10 YEARS, WHICH SECTORS OR TYPES OF MID-MARKET BUSINESSES DO YOU BELIEVE ARE BEST POSITIONED TO ATTRACT INSTITUTIONAL CAPITAL AND GENERATE STRONG PRIVATE EQUITY RETURNS IN AFRICA?

NC: At Lighthouse Capital, we believe fintech, renewable energy, healthcare, and agribusiness stand out over that African horizon.

Fintech and financial inclusion remain compelling because access to financial services in Africa is still early relative to consumer demand. Platforms solving payments, credit, and SME banking gaps have long runways for growth.

Renewable energy is increasingly attractive because grid infrastructure across much of Africa remains unreliable or absent, creating direct commercial demand for decentralised solar, mini-grid, and off-grid power — not demand that depends on policy support. A mid-market solar developer serving industrial or agricultural customers, for example, isn't reliant on subsidy regimes; it's solving a real operating cost problem for businesses currently paying for expensive diesel generation. That makes the commercial case more durable and less exposed to policy shifts than renewable investments in more developed markets.

Healthcare is similarly underpenetrated relative to demand: Rising middle-class incomes are driving demand for private diagnostics, pharmaceutical distribution, and specialised care that public healthcare systems aren't resourced to meet. A mid-market diagnostics business, pharmaceutical distributor, or generic drug manufacturer benefits from recurring, non-discretionary demand and cheaper import substitution, and offers a clearer path to regional consolidation — an attractive exit dynamic, since strategic healthcare buyers are actively expanding their footprint across African markets.

Agribusiness, supported by value-add technology, is another strong candidate: Africa holds a significant share of the world's arable land, yet much of the value chain — processing, packaging, distribution — remains underdeveloped and underinvested.

Across all four sectors, the common thread is the same: businesses with strong local management, real earnings, and export capability are best positioned to professionalise, attract institutional capital, and deliver the governance maturity that investors and strategic acquirers require at exit.

ABOUT NICO CHRISTOFOROU:

Before joining Lighthouse Capital, Nico built a 25+ year career at the intersection of private equity, venture capital, and structured finance across Africa, the US, Europe, and Asia. He has led capital raises, complex restructurings, and high-impact investments for some of the world's most respected institutions, including USAID, the Soros Economic Development Fund, Norfund, Rand Merchant Bank and Deloitte.

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	August	3-Month	1-Year
Botswana	0.73%	3.23%	-7.45%
Egypt	-2.29%	9.15%	16.89%
Ghana	-4.81%	-6.05%	9.01%
Kenya	1.45%	0.09%	15.11%
Mauritius	1.05%	1.67%	6.33%
Morocco	0.50%	-0.86%	-1.50%
Namibia	-1.27%	4.69%	21.43%
S&P/FMDQ Nigeria	3.31%	0.37%	27.49%
South Africa	-2.26%	3.91%	27.42%
Tanzania	1.13%	0.31%	32.43%
Uganda	-0.43%	4.57%	20.27%
Zambia	-2.47%	3.47%	55.00%

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	August	3-Month	1-Year
Botswana	0.39%	3.00%	5.79%
Cote d'Ivoire	5.28%	13.72%	51.58%
Egypt	2.16%	7.90%	55.03%
Ghana	5.35%	-2.68%	132.80%
Kenya	6.52%	21.70%	69.39%
Malawi	-4.35%	-7.76%	24.07%
Mauritius	2.25%	4.35%	-0.58%
Morocco	0.24%	-2.52%	-9.43%
Namibia	-0.26%	3.40%	38.00%
Nigeria	19.27%	0.07%	88.94%
Rwanda	0.95%	20.81%	74.89%
South Africa	-0.03%	-2.24%	25.84%
Tanzania	3.98%	6.13%	91.86%
Tunisia	1.19%	21.15%	71.78%
Uganda	2.36%	12.06%	47.70%
Zambia	1.51%	4.01%	74.33%

Source: S&P Dow Jones Indices

COUNTRY FOCUS:
Nigeria

Campaigning for Nigeria's 2027 presidential elections has officially begun. Oxford Economics expects President Bola Tinubu to win a second term, supported by incumbency, fragmented opposition and a divided anti-Tinubu vote.

"However, the recent Osun gubernatorial election suggests that the APC will face a tougher fight in the governorship races," said Political Analyst Jervin Naidoo. "The party could also come under greater pressure in parliamentary elections, where voters may use their ballots to punish the APC as a proxy for dissatisfaction with Tinubu's government."

The firm expects the economy and the cost-of-living crisis to be defining features of next year's general election.

According to SBM Intelligence, a Nigeria-based risk advisory firm, nearly 80% of Nigerians said the country is heading in the wrong direction, with 45% citing economic hardship and insecurity as top concerns.

Tinubu's main challenge will be convincing voters that his economic reforms will ultimately translate into better living standards. His government's removal of the fuel subsidy and decision to allow the naira to float freely were welcomed by international investors but contributed to higher living costs.

"While macroeconomic reforms are necessary, for many Nigerians, economic stability matters only insofar as it translates into improved everyday finances," said Senior Economist Brendon Verster. "Nigeria needs sustained real GDP growth of at least 6% p.a. to achieve meaningful poverty reduction, given its rapid population growth."

"However, simply returning to the high growth rates of the 2000s would not be sufficient without employment-intensive economic growth and inclusiveness that benefits poorer households," Verster warned.

PRIVATE EQUITY FUNDS & DEALS

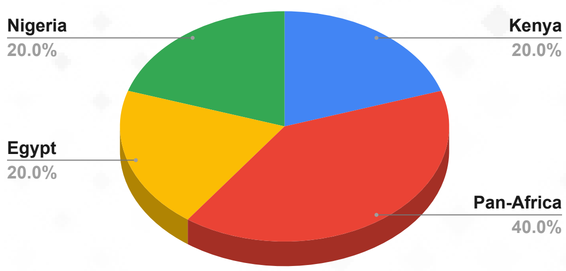
(as of the end of July 2026)

DEALS

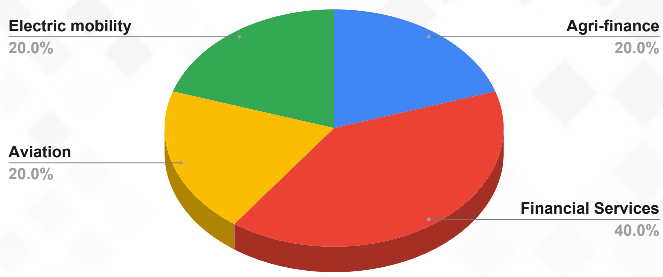
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Adenia Partners	Minet Group	Financial Services	Pan-Africa	Secondary buyout	Undisclosed
A.P. Moller Capital	Mainstream Renewable Power South Africa	Renewable energy	South Africa	Buyout	Undisclosed
Aruwa Capital Management	Sika Financial Group	Financial market infrastructure	Pan-Africa	Venture capital	$2m
Circle Ventures	Flutterwave	Payments	Pan-Africa	Venture capital	Undisclosed
Emerging Africa & Asia Infrastructure Fund	Hassan Allam Utilities	Renewable energy	Egypt	Senior secured corporate loan	$30m
Taranis Operations	Corbetti Geothermal project	Renewable energy	Ethiopia	Convertible loan	Undisclosed

DEALS BY COUNTRY



DEALS BY INDUSTRY



FUNDRAISING

Company	Fund	Style	Sectors	Final Close	Target Size
3IF Ventures	Inclusive Insurance Investment Fund	Impact venture capital; blended finance	Insurtech / Insurance; climate & disaster resilience; agriculture & rural livelihoods; digital health & wellbeing; SME & asset protection		$30m
AHL Venture Partners	AHL Africa Credit Fund I	Private credit / Debt	Financial inclusion; climate action; agriculture		Undisclosed
ARM-Harith Infrastructure Investments	ARM-Harith Climate Transition Fund	Infrastructure equity; climate transition / blended finance	Energy transition; climate-resilient infrastructure		$200m
Holocene	Holocene Ventures Fund I	Venture capital / Climate tech VC	Climate technology; renewable energy; clean energy	$3m	$3m-5m

EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
AfricInvest	SIPO Holding / Groupe Centaures	Transport & Logistics	Côte d'Ivoire / Mauritius	Undisclosed	Partial exit
Capitalworks	Minet Group	Financial Services	Pan-Africa	Adenia Partners	Secondary buyout
Helios Investment Partners	Africa Specialty Risks	Financial Services	Pan-Africa	Vitruvian Partners	Secondary buyout
Knife Capital	VoxCroft Analytics Inc. (US entity)	Technology	US / South Africa	Redpoint Advisors	Trade Sale

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 2026-07-31)										
31.99	5.32	58.8	39.83	23.83		Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
African Domestic Bond Fund (as-of 2026-07-31)										
	-1.2	15.4	33.3	5.1	43.70 (07/26)	ETF - local currency FI	African region	Mauritius	Open-End	9/18
Allan Gray Africa Bond Fund (as-of 2026-07-31)										
9		20	17.1	9.2	505.00 (07/26)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2026-07-31)										
21.76	3.07	42.4	28.89	13.72	582.00 (07/26)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Commonwealth Africa Fund (as-of 2026-07-31)										
2.76	-1.65	34.48	19.67	10.39	6.96 (07/26)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2026-07-31)										
19.45	3.2	43.8	28.13	11.44	736.60 (07/26)	Equity	Africa ex-SA	Ireland	Unit Trust	10/8
EFG-Hermes MEDA Fund (as-of 2026-08-20)										
-4.36	0.22	-6.67	3.67	12.06		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Enko Africa Debt Fund (as-of 2026-07-31)										
13.77	-0.2	32.16	27.36	19.2	1150.00 (07/26)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2026-07-31)										
7.94	7.87	25.94	24	-0.15		Equity	EMEA	Luxembourg	SICAV	6/7
Imara African Opportunities Fund (as-of 2026-07-31)										
16.92	2.18	37.6	18.51	2.73		Equity	African region	Cayman Isl.	Open-End	6/5
Imara Zimbabwe Fund (as-of 2026-05-31)										
28	2					Equity	Zimbabwe	BVI	Open-End	03/07
Laurium Africa USD Bond Fund (as-of 2026-07-31)										
3.9	-0.4	12.1	12.7		44.60 (07/26)	Fixed Income ex South Africa	African region	Ireland	UCITS	04/21

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM ($m)	Strategy	Focus	Domicile	Type	Start
Laurium Limpopo Africa Fund (as-of 2026-07-31)										
18.93	2.8	41.2	31.94	15.31	440.40 (07/26)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2026-07-31)										
16.78	1.94	40	20.85	6.4		Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2026-07-31)										
	-0.6	6.9	0.5	-22.1		Fixed Income	African region	Mauritius	Open-End	02/14
Old Mutual African Frontiers Flexible Income Fund (as-of 2026-07-31)										
6.12	0.81	19.82	17.51		120.00 (06/26)	Fixed Income	African region	Ireland	OEIC	5/22
Old Mutual African Frontiers Fund (as-of 2026-07-31)										
18.08	4.39	37.8	29.46	13.55		Equity	Africa ex-SA	Ireland	Open-End	05/10
Robeco Afrika (as-of 2026-07-31)										
9.6	1.24	43.61	30.77	15.85	55.40 (07/26)	Equity	African region	Netherlands	Open-End	06/08
Sanlam Africa Equity Fund (as-of 2026-07-31)										
12.64	2.8	42.3	22.57	12.55		Equity	Africa ex-SA	Ireland	Open-End	7/15
Sanlam Allianz Africa Equity Fund (as-of 2026-07-31)										
27.76	3.55	47.7	22.03	8.79		Equity	Africa ex-SA	Cayman Isl.	Open-End	05/19
Steyn Capital Africa Fund (as-of 2026-07-31)										
25.87	2.71	44.5	31.41	19.64		Equity	Africa ex-SA	Malta	SICAV	09/11
ST Fund Management African Lions Fund (as-of 2026-07-31)										
36.49	3.64	68.26	42.17	26.84	96.37 (07/26)	Equity	SSA ex-SA	BVI	Open-End	10/20
Sustainable Capital Africa Alpha Fund (as-of 2026-07-31)										
54.32	5.06	74	38.2	20.07		Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2026-07-31)										
24.99	7.06	35.7	25.96	9.74		Equity	Africa ex-SA	Holland	Open-End	3/8
T. Rowe Price Africa & Middle East Fund (as-of 2026-07-31)										
-0.79	-0.7	7.82	9.28	8.31	104.07 (07/26)	Equity	MENA & SSA	United States	Open-End	10/11

For Funds Performance Graphs, visit:
https://public.irx.exchange/explorers/agf-africa-ex-za-equity-funds

Source: Company Data

THE NEXT DECADE

WILL REWARD AFRICAN EXCHANGES THAT INTERPRET STRUCTURAL CHANGE - NOT SIMPLY FACILITATE TRADING

By Yenni Leighton, Founder, The Impetus Global

African capital markets possess many of the assets the world increasingly needs: critical minerals, renewable energy potential, rapidly expanding consumer markets and digital infrastructure. Yet possessing strategic assets and attracting international institutional capital are not the same thing. Capital increasingly follows interpretation before opportunity does — and the exchanges that thrive over the next decade will be those that help global investors understand why these assets matter, within a rapidly changing investment landscape.

Exchanges have traditionally competed on listings, liquidity and trading efficiency, measured through familiar metrics: market capitalisation, listing numbers, trading volumes, regulatory compliance. These remain important, but they are becoming insufficient. Institutional investors are no longer allocating capital solely on company fundamentals; increasingly, they allocate according to how markets respond to structural change — stewardship expectations, sustainable finance mandates, geopolitical fragmentation, supply-chain resilience, critical mineral security and cross-border regulatory alignment. These are not simply policy debates. Together, they are redefining how global investors assess market attractiveness, and exchanges that understand this transition early will compete differently from those still measuring success against old assumptions.

More listings automatically create stronger markets. A market with fewer companies but deeper institutional confidence can attract more long-term capital than a larger exchange with fragmented governance and limited international visibility. Tomorrow's competition is not between exchanges — it is between confidence ecosystems.

Regulation is primarily a compliance function. European stewardship obligations, sustainability reporting requirements and governance expectations increasingly influence where international liquidity is deployed. These are capital allocation signals, not simply compliance obligations — markets that interpret them commercially gain an advantage; markets that treat them only as a box-ticking exercise become progressively less visible to institutional investors.

Local markets competed locally. Increasingly, they do not. Capital now evaluates markets through interconnected themes — geopolitical resilience, critical mineral security, energy transition, infrastructure, governance quality, sustainability credibility, digital market infrastructure — and the competitive landscape has gone global long before many exchanges have adapted their positioning.

African exchanges must move beyond historical models built around aggregating domestic listings, isolated compliance programmes, local regulatory optimisation and transaction execution. These remain necessary, but capital itself has changed: African exchanges are now competing not only with their cross-border neighbours, but against every jurisdiction capable of reducing uncertainty for institutional capital. That means trust becomes infrastructure. Governance becomes infrastructure. Regulatory credibility becomes infrastructure. And interpretation becomes infrastructure. The exchanges able to translate structural complexity into institutional confidence will increasingly become preferred gateways for international capital.

Markets rarely lose competitiveness for lack of attractive assets — they lose it because they recognise structural change too slowly. Every month between a structural shift emerging and institutional action creates hidden commercial costs: lower liquidity, widening valuation discounts, delayed listings, higher cost of capital, declining participation from international investors, and increasing reliance on foreign financial centres. None of this happens overnight, which is exactly why it is so rarely caught in time. By the time these indicators become visible in board reports, competitive advantage has usually already migrated elsewhere.

The exchanges likely to outperform over the next decade will not simply execute trades more efficiently. They will become institutions capable of interpreting structural change for international capital — helping investors understand how European regulation changes African liquidity, how infrastructure investment changes sovereign competitiveness, how governance quality influences valuation, how critical minerals reshape capital allocation, and how geopolitical fragmentation creates entirely new investment corridors. Markets become more valuable when they reduce uncertainty.

Africa's importance extends well beyond traditional emerging-market narratives. Critical minerals, digital infrastructure, renewable energy investment and demographic expansion are reshaping how institutional investors consider long-term portfolio construction. The question now is whether market infrastructure enables global capital to recognise their strategic value before it becomes consensus. Exchanges that successfully bridge that gap will become more than trading venues. They will become strategic infrastructure for international capital allocation.

OLD MODEL	NEW MODEL
Success measured by number of listings	*Success measured by depth of institutional confidence*
Regulation treated as a compliance function	*Regulation read as a capital allocation signal*
Competing against neighbouring exchanges	*Competing against every jurisdiction that reduces investor uncertainty*
Trust assumed as a byproduct of listing	*Trust built deliberately, as infrastructure*
Success = executing trades efficiently	*Success = interpreting structural change for capital*

Your Insight Into AFRICAN ASSET MANAGEMENT