

# AFRICA

## GLOBAL FUNDS

# EMPOWERING AFRICA'S SMBS

**Q&A:** TCM'S AFRICA FUND MAKES THE  
CASE FOR FRONTIER EXPOSURE

**NEWS:** MEDITERRANIA CAPITAL IV MID  
CAP REACHES €600M FINAL CLOSE

**COMMENT:** EXIT PATHWAYS IN AFRICAN PE AND VC



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**I**n this month's issue, we speak with the Head of Investments at Visa Foundation, Najada Kumbuli, who shares how current trends such as fintech innovation, local fund manager expertise, and ecosystem-level interventions are shaping the Foundation's investment strategy across Africa.

Read on pp. 14-15.

In this issue, Marco Balk, Portfolio Manager at Trustus Capital Management, shares insights into the fund's strategy, its current positioning, and how it navigates the region's complexities—from liquidity challenges to political risk. Read on pp.16-17.

In addition, the African private equity (PE) and venture capital (VC) markets have long faced skepticism over exit opportunities. Concerns about liquidity, fund timelines, and return realization have historically dampened institutional capital flow into the continent. Yet, as the ecosystem matures, these perceptions are increasingly being challenged by real progress in exit mechanisms, signaling a positive inflection point for asset managers and investors alike. Read on p.22.

On the fundraising front, Mediterrania Capital Partners, a Private Equity firm focused on growth investments for small and medium-sized enterprises (SMEs) and mid-cap companies across North and Sub-Saharan Africa, has announced the final close of its fourth fund, Mediterrania Capital IV Mid Cap (MC IV), at €600m. Read news on p.4.

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*Best regards,  
 Anna Lyudvig  
 Managing Editor*

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# Mediterrania Capital IV Mid Cap Reaches €600m Final Close



**Rajaa Berrkia,**  
Partner and Director  
**Mediterrania Capital Partners**

**M**editerrania Capital Partners, a Private Equity firm focused on growth investments for small and medium-sized enterprises (SMEs) and mid-cap companies across North and Sub-Saharan Africa, has announced the final close of its fourth fund, Mediterranean Capital IV Mid Cap (MC IV), at €600m.

A 10-year closed-end fund, MC IV targets SMEs and mid-cap businesses across North and West Africa, with selective investments in the broader

value creation is aligned with long-term, sustainable development in Africa.

Across all funds and portfolio companies, Mediterranean applies robust ESG frameworks to assess and improve sustainability practices, transparency and governance.

The firm partners with management teams to drive not just financial returns, but also positive outcomes for employees, communities and the environment.

Rajaa Berrkia, Partner and Director of Sustainability, said: "Impact is not an initiative - it's a mindset embedded in everything we do. Our

**"Impact is not an initiative – it's a mindset embedded in everything we do. Our role as investors is to deliver sustainable value, and that includes reducing inequality, supporting inclusive job creation, and enhancing the resilience of the ecosystems we operate in**

Rajaa Berrkia, Partner and Director of Sustainability, Mediterranean Capital Partners

Pan-African region. With a strategy focused on acquiring substantial minority or majority stakes—several in a pre-IPO environment—MC IV aims to back companies with solid market positioning and strong potential to scale regionally and continent-wide.

Albert Alsina, Founder and CEO of Mediterranean Capital Partners, commented: "The successful final close of MC IV underlines our Limited Partners' ongoing commitment to the African continent and their confidence in our ability to generate significant long-term value. With over 75% of the fund set to be deployed within less than four years, we see abundant opportunities to support outstanding companies that are transforming their industries across Africa."

Hatim Ben Ahmed, Managing Partner, added: "The final close of MC IV at €600 million is a major milestone that enables us to continue deploying our investment strategy across the continent, with a strong focus on healthcare, financial services and FMCG - sectors where we see significant growth potential in the coming years."

As a signatory of the United Nations Principles for Responsible Investment (UNPRI), Mediterranean Capital Partners embeds Environmental, Social and Governance (ESG) principles at the core of its investment approach.

The firm is deeply committed to Impact investing, ensuring that

role as investors is to deliver sustainable value, and that includes reducing inequality, supporting inclusive job creation, and enhancing the resilience of the ecosystems we operate in."

Today, the portfolio companies managed by Mediterranean Capital collectively generate more than €2.2bn in annual revenues and employ over 30,000 people across Africa, touching the lives of over 100 million people through the entire portfolio of African companies.

With two of Mediterranean Capital Partners' investee companies having reached unicorn status under MCP's tenure, MC IV aims to increase that number further, reaching 200 million Africans.

Governance and regulatory strength Mediterranean Capital Partners operates under rigorous governance structures and is licensed by the Malta Financial Services Authority (MFSA) under the EU AIFM Directive, as well as by regulatory authorities in Mauritius, Spain (CNMV) and Morocco (AMMC).

This strong regulatory foundation supports the firm's transparency, accountability and best-in-class operational standards.

Since its establishment in 2013 in Malta, the firm has maintained a proactive and hands-on approach to portfolio management, promoting long-term growth through sound governance and impactful investment strategies.

## FUNDRAISING

# Incofin Closes Water Access Acceleration Fund Above Target



**Aparna Pittie,**  
Deputy Fund Manager  
**Incofin**

**I**ncofin Investment Management, a global impact asset manager, has announced the final close of the Water Access Acceleration Fund (W2AF) at approximately €61m in committed capital, exceeding its original target of €50m.

As the first private equity fund dedicated to improving drinking water access, Incofin seeks to bridge critical financing gaps across the water value chain globally.

Despite a challenging fundraising environment, the fund successfully attracted a broad group of committed impact investors, including international development finance institutions, foundations, family offices, and private investors.

Notable recent commitments at final close included Aurae Impact, a French family office specializing in impact investing, and The Impact Investors, a US-based Registered Investment Advisor (RIA).

The asset manager said it greatly values the collaboration of all their Limited Partners—including Norfund, IFU, the Swiss Agency for Development and Cooperation, Aqua for All, and all others—whose collective commitment has been instrumental in advancing catalytic private equity investments in water enterprises.

David Grolleau, CFO, Danone Communities, said: "As the anchor investor and sponsor of the fund, we value Incofin's ability to bring together investors with different profiles into the emerging sector of access to safe drinking water for vulnerable populations. They have created a strong and impactful ownership structure for this impact-first fund, which is now ready to impact at scale safe drinking water access."

Nadia Scharen-Guivel, Investment Director, US International Development Finance Corporation (DFC), commented: "We appreciate Incofin's experience in local emerging markets and their ability to

offer diversification across regions and small-scale products, which effectively mitigates risks. Furthermore, Incofin's early engagement with technical assistance and the development of a robust pipeline of vetted projects enabled us to commit confidently at an early stage, thereby lowering entry barriers for new investors."

Irina Gaman, Private Equity Investment Officer, European Investment Bank (EIB), added: "The final closing of the Water Access Acceleration Fund is emblematic for all of us, as it reinforces the European Investment Bank, the Government of Netherlands and Incofin's joint support to the water sector, where innovative investment solutions are much needed in the global emerging markets. The catalytic role of EIB in this blended finance structure, which benefits from the great support of both private and public investors, is undeniable. We welcome this partnership and wish Incofin success in deploying the Water Access Acceleration Fund."

Incofin has already made strategic investments, including in companies like Rite Water in India and SPOUTS International in Uganda, which are expanding access to safe drinking water to underserved communities.

Together, they provide 4.3 billion litres of drinking water to 8.5 million low-income populations as of end 2024. Further investments are actively underway in Asia, Africa and Latin America.

The final close reinforces Incofin's commitment to advancing impact through innovative, mission-aligned strategies that improve lives while delivering value to investors.

Aparna Pittie, Deputy Fund Manager, Incofin, said: "Access to safe and affordable drinking water is one of the greatest challenges of our time. We are proud to partner with such a committed and diverse group of investors who share our vision that catalytic investments in scalable, sustainable water businesses are an essential first-step to solving this problem."

## FUNDRAISING

# EAAIF Completes \$325m Debt Raise

**T**he Emerging Africa & Asia Infrastructure Fund (EAAIF), a Private Infrastructure Development Group (PIDG) company managed by Ninety One, has successfully raised \$325m in new debt facilities, bringing recent commitments to \$620m and exceeding the Fund's \$500m target ahead of schedule.

The debt raise cements EAAIF's position as the go-to partner for investors to access scalable, and untapped opportunities in the emerging market infrastructure debt asset class, through an A2 rated

(Moody's) lending platform.

Allianz Global Investors (AGI) led the financing on behalf of Allianz Group, one of the world's leading insurers and asset managers, committing €100m to EAAIF.

One of South Africa's largest financial services organisations, ABSA, provided \$75m.

Shyam Ganda, Director - Global Finance, ABSA, said: "As a Pan-African bank, Absa is proud to partner with EAAIF in supporting

projects which will accelerate infrastructure development for lasting impact - bridging Africa and Asia's long-term financing gap, whilst supporting economic growth and renewable energy expansion".

Standard Bank, Africa's largest lender by assets, contributed an additional \$50m to facilities already provided.

Neha Bantha, Executive Vice President for Leveraged Finance at Standard Bank Corporate & Investment Banking said: "We are proud to be part of this consortium which will enable funding for strategic infrastructure projects that underline our broader purpose, to drive Africa's growth. This transaction forms a cog in our broader wheel of innovative financing and objective to deliver structured capital solutions that help our partners and clients deliver for the continent and we look forward to future partnership opportunities that leverage Africa's immense potential".

Japanese multinational bank Sumitomo Mitsui Banking Corporation (SMBC) extended a \$50m credit facility, while Swedfund, Sweden's development finance institution, allocated €40m.

Nisrin Abouelezz, Managing Director and Head of Africa Group of SMBC said: "SMBC is pleased to partner with EAAIF in this year's debt raise which aligns well with SMBC's own strategy for sustainability and social value creation. SMBC continues to support our clients as they further global energy transition, while supporting social infrastructure and value creation on the African and Asian continent".

Maria Håkansson, CEO of Swedfund, Sweden's development finance institution, added: "The EAAIF has a critical role to play in financing high-impact infrastructure projects across Africa, while challenging risk perceptions around African infrastructure investment and mobilising private capital. This is essential to closing the financing gap and building capital markets to achieve better environmental and social impact."

The new debt package builds on EAAIF's \$294 million capital raise secured in 2024.

This demonstrates the Fund's ability to mobilise a global community of public and private investors united by a shared purpose of channeling capital, innovation, and expertise to expand infrastructure debt markets in Africa and Asia. The new debt finance package will support EAAIF's ambition to generate sustainable development impact and deliver positive returns.

The financing will enable \$1bn of investment by the Fund in next-generation infrastructure across Africa and Asia by 2028.

EAAIF's investment strategy targets assets that advance digital economies, scale transition infrastructure, and reshape power markets.

The successful debt raise comes at a critical time. The Asia-Pacific region alone faces a shortfall of at least \$800 billion in climate financing, while just c.23% of Africa's climate finance needs are currently met. Action on climate is at the heart of PIDG's strategy, which aims to improve economic resilience and climate opportunities for 100 million people by 2030. As one of Africa's longest-serving infrastructure debt providers, EAAIF draws on the Group's whole life-cycle approach - spanning project development, financing, and long-term sustainability - to transform economies and improve lives, while delivering meaningful action on climate adaptation, resilience, and mitigation.

Since its inception in 2001, EAAIF has committed over \$3bn to more than 125 infrastructure projects across 25+ countries and 10 sectors in Africa and Asia.

In 2024, Moody's reaffirmed the Fund's foreign currency long-term issuer rating of A2 with a stable outlook and minimal default rate, reinforcing its position as a leading instrument for investors seeking investment protection, returns, and exposure to Africa and Asia's growing infrastructure asset class.

Martijn Proos, Co-head of EM alternative Credit at Ninety One and Managing Director for EAAIF, said: "These successful subsequent debt raises highlight global investors' confidence in EAAIF's ability to create attractive investment solutions that seize untapped opportunities in fast-growth markets. By strengthening our capital base and diversifying our funding sources, we are favourably positioned to drive business growth and economic transformation through private infrastructure debt investment in pioneering infrastructure. We thank Allianz, ABSA, Standard Bank, SMBC, and SwedFund for their continued support."

Philippe Valahu, CEO of PIDG, said: "As a PIDG company, EAAIF is driven by a vision of delivering essential infrastructure that unlocks economic opportunities in the markets where we invest. This milestone is a significant step forward for PIDG, which aims to deliver \$9 billion in new commitments for infrastructure and mobilise \$25 billion in additional finance by 2030. We look forward to continuing this journey alongside our partners as we develop innovative mobilisation strategies across the project lifecycle to deliver progress in the regions where we operate."

## DEALS

# Vital Capital Invests in Vastpoint

**V**ital Capital, a high-performing impact investor focused on addressing critical needs in growth markets, has made a strategic investment in Vastpoint to help scale its efforts in transforming land use, ownership and management in some of the world's most vulnerable regions.

Vastpoint is a pioneering land management and geospatial solutions company that helps governments and communities across Africa, Asia and Latin America to create more transparent, inclusive and effective land systems, while increasing property tax collection.

Vastpoint's innovative methodologies and proprietary geographical

information system (GIS) technologies are designed to improve land administration and secure equitable land and property rights for communities and individuals.

By reducing conflicts, promoting land-based economic development and advancing women's rights in land-related matters, the company addresses a significant, but often overlooked issue facing emerging economies, with the potential to bring lasting positive change to governments and citizens around the world.

According to the 2024 Prindex Report, 23% of adults across 108 countries feel insecure about their property or land rights; an

increase of 239 million adults over the past four years.

To date, Vastpoint has impacted over three million people, issuing more than 820,000 land titles and training over 20,000 individuals. With more than 70% of women in developing countries lacking land ownership, according to World Bank data[2], Vastpoint's focus on gender equity is especially significant - over 50% of its land titles benefit women as owners or co-owners.

"From advancing food security and poverty reduction to enabling sustainable urbanization and climate resilience, secure land tenure underpins a wide range of global development goals," said Tamar Pashtan, Vital's Head of Impact.

"With most of the world's population lacking secure land and property rights, Vastpoint is tackling one of the most fundamental -

and overlooked - development challenges of our time."

Vital Capital's investment aligns with its mission to meet essential human needs through its "build and re-build" strategy which focuses on transforming greenfield projects into large-scale, sustainable businesses. The partnership will support Vastpoint's growth into key markets where unclear land tenure continues to hinder economic development, environmental resilience and social inclusion.

"Vastpoint is a perfect example of how technology, innovation, and strategic investment can come together to address systemic development challenges," said Nimrod Gerber, Managing Partner at Vital Capital. "By improving land security, we're not only empowering communities, we're laying the groundwork for long-term prosperity and resilience."

## DEALS

# Mariseth Farms Secures Over \$1m



**Yaw Oppong,**  
CEO  
RDF Ghana

A consortium of investors, including RDF Ghana, Sahel Capital, and ABSA Bank, have invested over \$1m in Mariseth Farms, a women-owned agribusiness in Ghana.

"RDF Ghana is proud to support Mariseth Farms in its efforts to enhance farmer prosperity and scale its impact across the agricultural value chain," said Yaw Oppong, CEO of RDF Ghana.

"We believe that investing in agribusinesses like Mariseth is crucial for achieving sustainable agricultural development and improving the livelihoods of rural communities."

This strategic investment will support the company's mission to scale operations, expand support for smallholder farmers, and drive sustainable growth across Ghana's agricultural sector.

Founded in 2016, Mariseth Farms is committed to transforming African agriculture by producing, processing, and aggregating key agricultural products such as oil palm, soy, and maize for domestic and international markets. The company integrates its own farm production with sourcing from a network of over 9,255 local smallholder farmers, creating a sustainable and efficient supply chain.

This investment was facilitated by Mariseth's longstanding advisor, Pangea Africa.

Strengthening its leadership, Pangea partner John Scicchitano was appointed Chair of the Mariseth Board of Directors in January 2025. He is joined by Gena Perry, Executive Director of the World Initiative for Soy in Human Health (WISHH), further enhancing the company's governance.

Mariseth Farms is dedicated to empowering women in agriculture, with over 50% of its employees being women.

The company also prioritizes youth employment—80% of its youth employees are women—and remains deeply committed to community development.

The newly secured funding will be allocated to various strategic initiatives, including: increasing in-house production; expanding the supplier network of smallholder aggregators; hiring additional extension officers; and establishing new offtaker partnerships.

"This capital acquisition is a testament to the hard work of the Mariseth Farms team, and is proof that women are driving agribusiness growth in Ghana," said Marian Ofori Twumasi, CEO of Mariseth Farms.

"We are excited to utilize these funds to empower more smallholder farmers, especially women and youth, and contribute to regional food security and prosperity."

## DEALS

# Nedbank CIB Invests in Kasada

Nedbank Corporate and Investment Banking (Nedbank CIB), an African banking partner to corporates and institutions across the continent, has extended its sustainable finance offering to Senegal with the closure of a €19.4m sustainability-linked development and term

loan for Kasada, an independent real estate private equity platform dedicated to the hospitality sector in Africa.

The transaction will fund the further development of the Mövenpick Resort Lamantin Saly, a landmark hospitality investment on Senegal's Petite Côte.

Nedbank CIB is the corporate and investment banking unit of Nedbank, one of South Africa's largest financial institutions and a trusted partner to governments, multinationals, and development-focused investors in over 15 African countries.

This facility is part of Nedbank's broader sustainable development finance strategy, which targets aligning at least 20% of gross loans and advances with the United Nations Sustainable Development Goals by the end of 2025.

With over \$10.3bn in commercial property lending, Nedbank CIB is Africa's largest commercial real estate financier and meaningfully supports the hospitality sector across the continent.

"At Nedbank CIB, we take pride in structuring bespoke property finance and sustainable finance solutions that drive sustainable economic growth across Africa," said Catherine Hendry, Executive: Property Finance Africa at Nedbank CIB.

"This transaction highlights our ability to deliver strategic financial support that is tailored to local market dynamics. By working closely with our clients, we structure long-term investment solutions that align with their business objectives and the broader development goals of the region," she added.

The Mövenpick Resort Lamantin Saly will deliver an energy-

efficient hotel that creates local jobs, builds skills, and supports local procurement while also targeting reduced food waste and, consequently, lower emissions.

This facility marks Kasada's first sustainable finance transaction and reflects the increasing momentum behind sustainable investment in Africa's hospitality sector. The funding supports initiatives that reduce carbon footprints, promote efficient resource management, and drive socioeconomic development.

It also supports the hospitality sector, which in turn drives GDP growth and foreign exchange earnings and thus is an important component of Senegal's economy. This transaction reinforces Nedbank's role in providing financial solutions that drive sustainable development and long-term economic resilience.

"Partnering with Nedbank on this transaction marks another key milestone in our sustainability journey," said Ram Lokan, Partner, Managing Director at Kasada.

"This financing enables us to further connect our investment in sustainability initiatives to our fundraising efforts and deliver impact in the communities where we operate. We are proud to be the leaders in sustainable hospitality development, which helps us drive growth while ensuring environmental stewardship."

## DEALS

# Nedbank and Investec Invest In Master Plastics



**Rishanth Pillay,**  
Head of the Sponsor Leveraged Finance team  
**Investec**

Nedbank CIB and Investec Investment Banking have provided a strategic funding package comprising equity and structured debt to Master Plastics, a dynamic Group of predominantly food and agricultural-focused businesses.

"This transaction is a further outcome of our focused capital allocator strategy and demonstrates our ability to structure competitive, bespoke and holistic funding solutions across the full capital stack, reinforcing our expertise in the market", said Gary Galolo, Principal in the Leveraged and Diversified Finance team at Nedbank. "Sustainable Innovation is reshaping industries with this transaction evidencing how strategic financing can enable both business growth and environmental progress."

This transaction was completed in partnership with Manley Diedloff (CEO of Master Plastics) and Metier Private Equity, an existing shareholder.

The transaction perimeter of the management-led buyout of Master Plastics included its strategic divisions - namely PlusNet, Barrier Film Converters and Peninsula Packaging.

The transaction successfully delivered an exit for Metier Capital Growth Fund II and positions the business for further innovation and expansion into global recyclable packaging solutions and agri-processing advancement.

Nedbank acted as Mandated Lead Arranger, bookrunner, coordinator, lender, and equity provider, structuring a holistic funding solution to meet immediate and long-term growth goals.

Investec played a joint funding and equity provider role in the transaction, extending its existing partnership with Master Plastics by contributing capital and strategic insight to support the long-term growth ambitions of the business.

"This transaction reflects the private equity partnership we value, focused on long-term growth, measurable environmental impact, and scalable solutions. We're proud to support Metier and Master Plastics in unlocking the next phase of sustainable growth," said Rishanth Pillay, Head of the Sponsor Leveraged Finance team at Investec.

PlusNet, Barrier Film Converters and Peninsula Packaging are recognised for shade-netting technologies that support sustainable agriculture and the development of recyclable packaging solutions for food and fresh produce applications. Their innovations minimise the environmental impact of packaging, extends shelf life, improve crop yields, reduce food waste, conserve water, and reduces energy

## Investors

usage, driving tangible outcomes across the food and agri-processing value chain.

Metier, a long-standing investor supporting the growth of businesses across the continent, seeks to build on its 20+ year relationship with Manley Diedloff and will work with the experienced management team at Master Plastics to continue to expand the

group's market presence and technical capacity.

"These businesses are well-positioned for continued growth in sectors critical to economic development and environmental stewardship," said Peter Rowse, Investment Executive at Metier. "We are proud to partner with Nedbank, Investec and Manley to support this next growth phase."

### INVESTORS

# DFIs Support Solar and Battery Storage Project in Egypt with \$476m

The African Development Bank, European Bank for Development and Reconstruction (EBRD), and the British International Investment (BII), the UK's development finance institution and impact investor, have agreed to provide \$479.1m to Obelisk Solar Power SAE, a special purpose vehicle incorporated in Egypt, and owned by Scatec ASA.

This financing will support the development of a 1 GW solar photovoltaic (PV) power plant integrated with a 200 MWh Battery Energy Storage System (BESS) in the country's Nagaa Hammadi region.

The African Development Bank Group's financing package of \$184.1m includes \$125.5m in commercial loans, as well as concessional funding from Bank Group-managed Special Funds the Sustainable Energy Fund for Africa (SEFA) worth \$20m, and \$18.6m from the Canada-African Development Bank Climate Fund, a partnership of the African Development Bank and the Government of Canada.

A further \$20m will be channelled from the Climate Investment Funds' Clean Technology Fund through the African Development Bank. The Bank's Board of Directors approved the funding package on 11 June 2025.

EBRD will be providing a financing package of up to \$173.5m, of which \$101.9m will benefit from a European Fund for Sustainable Development (EFSD+) first loss cover guarantee for the first 18 years, in addition to a \$6.5m grant to be provided by the EBRD Shareholder Special Fund.

BII financing includes a \$100m concessional loan and a \$15m returnable grant that helps lower the overall cost of the BESS part of the project, making it more financially viable and affordable, while attracting private sector participation and creating models for future investments. BII's financing is subject to drawn down conditions.

The project's blended financing of \$475.6 million corresponds to approximately 80% of the total estimated capital expenditure of \$590m.

The integrated power plant will be developed by Scatec, a renewable energy solutions provider, and built in two phases. The first phase, with 561 MW of solar and 100 MW/200 MWh of battery storage, aims to begin operations in the first half of 2026. The second phase of 564 MW solar aims to start operations in the second half of 2026. The energy will be sold under a USD-denominated 25-year Power Purchase Agreement (PPA) with the Egyptian Electricity Transmission Company, backed by a sovereign guarantee.

Upon completion, it will be the first integrated solar photovoltaic and battery storage project of this scale in Egypt, representing a

significant milestone in the country's energy transition. Egypt aims to reach 42% of renewables in its power mix by 2030. The solar power plant is estimated to generate approximately 3,000GWh per year of additional renewable power, which will enhance grid stability and manage peak demand. It will also reduce carbon dioxide emissions by up to 1.4 million metric tons annually.

The facility will support the diversification of Egypt's energy mix and will increase the share of renewable energy contributing to the reduction of greenhouse gas emissions and supporting the country's decarbonisation goals.

Egypt's Minister of Planning, Economic Development and International Cooperation, Dr. Rania A. Al-Mashat: "The Obelisk Solar Power project represents a landmark in Egypt's clean energy transition, not only as the first integrated solar and battery storage facility, but also as a model for innovative financing through effective multilateral partnerships. It reflects our continued efforts to scale renewable energy, enhance grid resilience, and drive forward the implementation of Egypt's Nexus of Water, Food and Energy (NWFE) Country Platform, thus advancing our climate ambitions and creating new opportunities for private sector engagement and sustainable development."

Wale Shonibare, The African Development Bank's Director of Energy Financial Solutions, Policy, and Regulations, noted: "This project exemplifies the scale of renewable energy potential across Africa and demonstrates how strong partnerships and innovative solutions can advance the energy transition and foster sustainable economic development. It has a high demonstration and replication potential for similar initiatives across the continent."

Iain Macaulay, Director and Head of Project Finance (Africa & Pakistan), BII said: "This agreement underscores BII's commitment to innovative and sustainable energy solutions. The integration of battery storage with solar PV is a game-changer for Egypt's energy sector, providing reliable and dispatchable renewable energy and reducing reliance on fossil fuels. This project not only meets Egypt's current energy needs but also sets a precedent for future dispatchable hybrid renewable energy projects in the region."

Boyd Carpenter, EBRD Managing Director for sustainable Infrastructure, said: "We're delighted to work with our longstanding partners SCATEC, African Development Bank and BII to support this transformative project, which takes Egypt's green energy transition to another level by harnessing the power of the sun not just during the day but also at night, thanks to the combination of solar and

battery storage. It addresses the growing demand for electricity and reduces the need to import expensive fossil fuels. The project contributes towards the goals of the Egypt's flagship Nexus on Water, Food, and Energy which was launched at COP27 in Sharm El Sheikh, and for which EBRD is Egypt's lead partner on the energy pillar."

Stefano Sannino, Director-General of the Directorate-General for the Middle East, North Africa and Gulf of the European Commission, said: "Today, the European Union (EU) launches the EU-Egypt Investment Guarantee for Development Mechanism, a strategic platform designed to fast-track a significant pipeline of investment projects to deliver large-scale financing solutions in Egypt. This is a major milestone in the implementation of the EU-Egypt Strategic

Partnership. This particular project is a concrete example of a fruitful collaboration between the EU and the EBRD for supporting green transition in the country, through a large-scale investment. The EU guarantee allows the EBRD to provide a loan alongside other financiers to finance an innovative integrated solution which can attract private investors."

Terje Pilskog, CEO of Scatec, the project's operation and maintenance contractor, said: "This project marks a major milestone for Scatec. It proves our ability to deliver large-scale hybrid projects. We are proud to partner with leading development finance institutions to support Egypt's clean energy ambitions, and we look forward to delivering this important project together with our partners."

## INVESTORS

# IFC Invests in Enko Impact Credit Fund

**I**nternational Finance Corporation has committed up to the lower of \$25m or 20% of total Limited Partner (LP) commitment in Enko Capital's new Impact Credit Fund (EICF).

The project is being processed under IFC's Debt Funds Project (DFP) Investment Framework.

EICF is Enko's first private credit vehicle with a target LP commitment size of \$150m, targeting \$80mn at first close, expected to take place in Q3 2025.

EICF's objective is to invest in a diversified portfolio of USD denominated senior secured and unsecured debt to mid-sized corporates in sub-Saharan Africa, excluding South Africa.

EICF will seek to invest in SDG-aligned, ESG focused and gender-oriented businesses, while generating commercial returns and utilising guarantees, insurance wraps and collateral to hedge downside credit risks.

Alain Nkontchou, Managing Partner of Enko, said, "We are delighted to have received this invaluable support from IFC for our debut private credit fund. The fund will provide critical growth capital for mid-market SMEs on the continent and will deliver both positive social impact and compelling risk-adjusted returns. This growth capital can help address the massive funding gap which businesses on the continent face while driving sustainable development."

## INVESTORS

# Oando Deepens Upstream Investment With \$375m Financing Deal



**Wale Tinubu,**  
Group Chief Executive  
**Oando**

**O**ando, Nigeria's leading indigenous energy solutions company with primary and secondary listings on the Nigerian and Johannesburg Stock Exchanges, has announced the successful upsizing of its Reserve Based

Lending (RBL2) facility to \$375m.

The refinancing, led by the African Export-Import Bank (Afreximbank) with the support of Mercuria, extends the final maturity date of the facility to January 30, 2029.

In recent years, financing arrangements for the acquisition, development, and operation of oil and gas assets have commonly

been structured as Reserve-Based Loans (RBLs). Under this model, the amount a borrower, in this instance Oando, can access is directly tied to the size and value of their proven reserves, with Oando's standing at 1.0Bnboe —referred to as the Borrowing Base.

This upsizing is a result of the Company's significant progress in deleveraging, having substantially reduced the original \$525 million RBL2 facility, signed in 2019, down to \$100 million by the close of 2024. This proactive debt management has paved the way for successful refinancing.

Wale Tinubu, Group Chief Executive, Oando, commented: "We are pleased to have completed the upsizing of our RBL2 facility, a strategic milestone that reinforces our commitment as Operator of the Oando-NEPL JV to maximizing the value of our expanded asset

portfolio. Our Joint Venture holds extensive reserves with the potential to generate over \$11bn in net cashflows to Oando over the assets' life. This working capital facility is a critical enabler towards efficiently extracting and monetizing these resources. We appreciate the continued partnership of Afreximbank and Mercuria, whose unwavering support underscores their alignment with our long-term focus on maximizing production, optimizing asset performance, and delivering sustainable value to all stakeholders."

This newly secured capital injection will be strategically deployed to aggressively pursue key growth initiatives, including accelerated drilling campaigns, critical infrastructure upgrades across its operations, and the implementation of advanced operational efficiencies throughout its portfolio. These strategic investments directly support the Company's stated ambition to significantly increase its production levels to 100,000 barrels of oil per day (bopd) and 1.5 billion cubic feet (Bcf) of gas per day by the end of

2029.

This positive development follows Oando's landmark \$783 million acquisition of the Nigerian Agip Oil Company (NAOC) from Italian energy giant, ENI, in August 2024. This transformative acquisition significantly expanded Oando's operational landscape, incorporating twenty-four currently producing fields, approximately forty identified exploration prospects and leads, twelve key production stations, an extensive network of approximately 1,490 km of pipelines, three vital gas processing plants, the strategic Brass River Oil Terminal, the significant Kwale-Okpai phases 1 & 2 power plants boasting a total nameplate capacity of 960MW, and a comprehensive suite of associated infrastructure.

This successful refinancing underscores the confidence of leading financial institutions in Oando's strategic direction and its ability to capitalize on its expanded asset base to drive growth and value creation in the Nigerian energy sector and beyond.

## MARKETS AND INDUSTRY NEWS

# AFC's 2025 Report Urges Africa to Channel \$4 Trillion in Domestic Capital Toward Infrastructure-Led Industrial Transformation

**W**ith over \$4 trillion in investable domestic capital—from commercial banking assets, long-term institutional funds, and central bank reserves—Africa holds the financial capacity to transform its economic future. Yet, according to the 2025 State of Africa's Infrastructure (SAI) Report released by Africa Finance Corporation (AFC), most of this capital remains locked in low-risk, short-term investments, failing to power the continent's urgent infrastructure and industrial needs.

The report presents a compelling argument for rethinking the continent's development finance paradigm. It calls for targeted policy reforms, innovative financial structures, and the deployment of risk-mitigation tools to mobilise African capital for African priorities. Rather than depending predominantly on external finance, AFC makes the case for repositioning African institutions—pension funds, insurance companies, sovereign wealth funds, and development banks—as lead investors in infrastructure.

Specifically, the report estimates at least \$1.1trn in long-term institutional capital, \$2.5trn in commercial banking assets, and more than \$470bn in reserves held by central banks. Despite this substantial domestic resource base, infrastructure remains underfunded and fragmented—particularly in power, transport, and strategic industrial sectors.

Energy emerges as a central focus of the report, where underinvestment continues to constrain Africa's industrial potential. In 2024, the continent added just 6.5 GW of grid-connected capacity across all sources—compared to 18 GW from renewables alone in India. Meanwhile, per capita electricity generation in Africa has stagnated, even as it has more than doubled in peer regions since 2008.

AFC argues that Africa must shift from an energy access narrative focused on small-scale interventions to a large-scale strategy

anchored in regional, interconnected power systems. The report calls for stronger regional grid integration, the introduction of private sector participation in electricity transmission, and a pipeline of cross-border power projects. It highlights Angola, the Democratic Republic of Congo (DRC), Tanzania, and Mauritania as strategic interconnection markets that could rebalance electricity supply and demand across national borders.

In contrast to the stagnation in energy, the report identifies a resurgence in rail infrastructure as a signal of growing momentum. With more than 7,000 km of under-construction and planned railway lines, the continent could double its pace of rail development in the next decade. To support coordination and improve investor visibility, AFC has launched the Digital Map of African Railways, the first dynamic and interactive platform tracking rail development across the continent in real time.

The report also draws attention to three foundational industrial inputs—steel, fertilizers, and oil refining—that remain dominated by imports despite strong underlying demand and raw material availability. Africa currently imports around \$300bn annually of these strategic products, while per capita consumption remains far below global averages. For instance, Africa consumes only 24 kg of steel per person annually, compared to a global average of 219 kg. The fertilizer gap is equally stark, with just 23 kg used per hectare of farmland versus 140 kg globally.

The report identifies the ore-to-steel supply chain as one of the continent's most promising but underdeveloped industrial opportunities. West Africa in particular holds growing iron ore reserves that could feed into domestic processing and production, but only if supported by investments in energy, transport, and logistics infrastructure.

In his comments on the report, AFC President & CEO Samaila

Zubairu emphasised the urgency and opportunity ahead: “This report provides a practical roadmap for how Africa can channel its significant financial strength into the infrastructure needed to drive industrial transformation—from scaling electricity supply to revitalising rail and building up strategic industries like steel and fertilisers. The tools exist. The capital is available. What’s needed

now is coordinated action to unlock it.”

The 2025 State of Africa's Infrastructure Report is a call to action. It underscores AFC's conviction that African capital, deployed strategically through African institutions, holds the key to building a more industrial, connected, and resilient continent

## MARKETS AND INDUSTRY NEWS

# Africa's Economic Growth Set to Accelerate Amid Global Uncertainty



**Prof. Kevin Chika Urama,**  
Chief Economist and Vice President  
**African Development Bank Group**

**A**frica's economy is poised to accelerate from a projected 3.3% growth in 2024 to 3.9% in 2025, reaching 4% in 2026, despite growing geopolitical tensions and global trade disruptions, according to the African Development Bank Group's 2025 African Economic Outlook report.

The continent's continued growth, in the face of both domestic and global challenges, reflects Africa's growing economic resilience. The report highlights 21 African countries expected to post growth exceeding 5% in 2025. Ethiopia, Niger, Rwanda, and Senegal are projected to surpass 7% growth, the benchmark often cited as necessary for substantial poverty reduction and inclusive development. Africa's overall economic performance is forecast to outpace the global average and trail only emerging and developing Asia.

The Bank attributes this resilience to ongoing domestic reforms and improvements in macroeconomic management. However, growth will be uneven across regions. East Africa leads with a projected 5.9% growth rate for 2025-2026, bolstered by strong performances in Ethiopia, Rwanda, and Tanzania. West Africa is forecast to expand by 4.3%, driven in part by new oil and gas production in Senegal and Niger. North Africa is expected to grow at 3.6%, while Central Africa's growth will slow to 3.2%. Southern Africa lags behind, with a projected growth rate of only 2.2%, as South Africa, the region's largest economy, is forecast to grow by just 0.8%.

Despite these positive projections, the report warns of significant macroeconomic challenges. Fifteen African countries face double-digit inflation, and interest payments now consume 27.5% of government revenues—up sharply from 19% in 2019.

“Africa must now face the challenge and look inwards to mobilizing the resources needed to finance its own development in the years ahead,” said Prof. Kevin Chika Urama, Chief Economist and Vice President of the African Development Bank Group, during the report presentation.

The report identifies enormous potential for Africa to raise domestic capital through better resource utilization. It estimates that up to \$1.43 trillion could be mobilized through increased efficiency in tax

and non-tax revenue collection. Africa's natural capital is particularly underleveraged; the continent holds 30% of the world's mineral reserves and stands to capture over 10% of an estimated \$16 trillion in revenues from green minerals by 2030.

Africa's youthful population, with a median age of 19, also represents a demographic advantage. With improved labor participation, the continent could add \$47 billion to its GDP. On the financial front, pension fund assets have reached \$1.1 trillion, and formal remittances could rise to \$500 billion by 2035 if transfer costs are lowered. Meanwhile, the full implementation of the African Continental Free Trade Area could lift exports by \$560 billion and increase income by \$450 billion by 2035.

However, the report notes that Africa's development is being undermined by vast capital outflows. In 2022, while Africa received \$190.7 billion in financial inflows, it lost nearly \$587 billion due to financial leakages. These include \$90 billion in illicit financial flows, \$275 billion lost through profit-shifting by multinational corporations, and \$148 billion lost to corruption.

“When Africa allocates its own capital (human, natural, fiscal, business and financial) effectively, global capital will follow Africa's capital to accelerate investments in productive sectors in Africa,” said Vice President Urama.

The report outlines key policy actions to address these issues. It underscores the importance of sound macroeconomic management, institutional quality, good governance, and the rule of law. Urama stated, “There can be no substitute to sound macroeconomic policy management, quality institutions and good governance, and rule of law.”

The report calls for reforms to enhance fiscal revenue through better tax administration, broader tax bases, and improved social contracts to boost compliance. It also advocates for mandatory natural capital accounting and policies to retain value domestically through beneficiation.

Finally, the Bank urges the development of deeper financial markets by mobilizing institutional savings, expanding local currency bond markets, and harmonizing regulatory frameworks to facilitate cross-border investments.

# Your Insight Into African Asset Management



[www.africaglobalfunds.com](http://www.africaglobalfunds.com)

# EMPOWERING AFRICA'S SMBs

By Anna Lyudvig



**A**s Head of Investments at Visa Foundation, Najada Kumbuli is at the forefront of driving inclusive economic growth across emerging markets, with a particular focus on Africa. Under her leadership, Visa Foundation has sharpened its commitment to empowering small and micro businesses (SMBs)—the backbone of the continent’s private sector—through a blend of impact-first investments and catalytic grant-making. In this exclusive interview with Africa Global Funds, Kumbuli shares how current trends such as fintech innovation, local fund manager expertise, and ecosystem-level interventions are shaping the Foundation’s investment strategy across Africa. She also offers insights into balancing financial returns with social impact, navigating perceived versus real risks in African venture markets, and the critical role of trust, transparency, and track record in partnering with emerging fund managers.

**ANNA LYUDVIG (AL): WHAT SPECIFIC TRENDS OR SIGNALS ARE CURRENTLY GUIDING VISA FOUNDATION’S INVESTMENT STRATEGY IN AFRICA, AND HOW DO YOU SEE THESE EVOLVING OVER THE NEXT 3-5 YEARS?**

**NAJADA KUMBULI (NK):** Small and micro businesses (SMBs) are the backbone of local economies around the world. In Africa, these businesses are estimated to represent 90% of private sector businesses, generating 80% of job opportunities in many sub-Saharan markets while contributing anywhere from 20-40% of the national GDP in some African countries. Visa Foundation targets the financial inclusion and economic mobility of these SMBs given their outsized impact on the continent. We apply a holistic strategy, providing SMBs with access to capital, digital tools, and financial skills via grants to nonprofit organizations and investments into financially-driven, impact-focused funds. We aim to build ecosystems

**NK:** Visa Foundation’s investment strategy is built on the premise that financial returns and social outcomes are complementary to one another. We seek out fund managers who target market-rate returns and embed impact into the fabric of their firm – from their investment thesis to their approach to portfolio management. Entering into partnerships with fund managers who think critically about impact enables us to refine our metrics and understand the nuanced needs of the local market.

**AL: IN YOUR VIEW, WHAT ARE THE MOST MISUNDERSTOOD RISKS IN AFRICAN VENTURE MARKETS TODAY, AND HOW DO YOU DIFFERENTIATE BETWEEN REAL AND PERCEIVED RISK?**

**NK:** One major misconception is that Africa’s alternative investment market is significantly more unstable and offers far fewer exits compared to U.S. and European markets. We differentiate

**“In Africa, these businesses are estimated to represent 90% of private sector businesses, generating 80% of job opportunities in many sub-Saharan markets while contributing anywhere from 20-40% of the national GDP in some African countries**

that serve entrepreneurs at every stage of growth and have targeted entrepreneurial hubs like those in Nigeria to advance both innovation and impact. This work has been our north star since the Foundation’s inception; we intend to remain committed to the financial inclusion of SMBs in the years to come.

**AL: HOW DO YOU BALANCE THE DUAL OBJECTIVES OF FINANCIAL RETURNS AND SOCIAL IMPACT WHEN EVALUATING OPPORTUNITIES ON THE CONTINENT?**

between these perceived risks and real risks by running long-term analyses on the country’s and region’s political, currency, and financial dynamics, coupled with an in-depth evaluation of the fund, its investment strategy, team, and return potential. To address information asymmetries, we leverage our team’s decades of experience investing in the continent, our Visa colleagues’ extensive knowledge of the local political, regulatory, and financial challenges, and our co-investors’ and fund managers’ track records and lessons learned.

**AL: WHAT ARE SOME RED FLAGS OR DEAL-BREAKERS YOU LOOK FOR WHEN EVALUATING A FUND MANAGER OR DIRECT INVESTMENT IN AFRICA?**

**NK:** We prioritize the evaluation of team complementarity and cohesion because we know that, ultimately, a fund is only as good as its leadership and, specifically, its leadership's ability to be data-driven, agile, and inclusive. We value a team's transparency of its challenges and failures, and we raise a red flag when a fund manager is not setting realistic targets, such as fund size, exits, and value add, based on her track record, work experience, and fundraising potential.

**AL: HOW IMPORTANT IS LOCAL FUND MANAGER EXPERTISE TO YOUR INVESTMENT THESIS, AND WHAT ROLE DOES TRUST OR TRACK RECORD PLAY IN BACKING EMERGING MANAGERS?**

**NK:** Because we are a global foundation focused on generating long-term local impact, we place a high value on local expertise

with the launch of RevUp Women, an initiative that is empowering early-stage, women-led startups in Africa through capacity building training, mentorship, and access to capital. To date, AfriLabs has supported more than 450 women entrepreneurs and 2,400 jobs while helping entrepreneurs experience an average of 60% revenue increase across five markets.

**AL: ARE THERE SPECIFIC SECTORS OR THEMES—SUCH AS FINTECH, CLIMATE TECH, OR GENDER-LENS INVESTING—THAT VISA FOUNDATION SEES AS PARTICULARLY PROMISING IN AFRICA RIGHT NOW?**

**NK:** Visa Foundation's venture capital portfolio is intentionally diversified across sectors. We have partnered with investors backing startups in clean-tech, health-tech, ed-tech, and more. Notably, the majority of our underlying African portfolio companies are innovating in fintech and commerce. Hub2, a payments company in Visa Foundation's underlying startup portfolio, is one example of this trend. Hub2 is focused on solving the challenge of payment interoperability and infrastructure in Africa by providing SMBs an

**“We prioritize the evaluation of team complementarity and cohesion because we know that, ultimately, a fund is only as good as its leadership and, specifically, its leadership's ability to be data-driven, agile, and inclusive**

when evaluating potential partners. This expertise provides the foundation with a nuanced perspective of the unique challenges and opportunities within each market, helping enable effective deployment of capital and tailored support for entrepreneurs. And while we take into consideration a fund manager's track record, we recognize that there are capable investors who may not yet have extensive experience as a GP. We welcome the opportunity to connect with first-time fund managers who demonstrate a deep local knowledge, a unique investment thesis, and a serious work ethic.

**AL: CAN YOU SPEAK TO THE IMPORTANCE OF ECOSYSTEM-LEVEL INVESTMENTS—LIKE INFRASTRUCTURE OR REGULATORY ADVOCACY—AS COMPLEMENTS TO DIRECT VENTURE CAPITAL DEPLOYMENT?**

**NK:** Ecosystem-level investments are vital, as they create a conducive environment for venture capital deployment. In addition to capital, start-ups, especially early-stage startups, need access to mentorships, networking opportunities, and technology expertise. It is one of the reasons why Visa Foundation not only leverages investments but also grants. Over the last six years, Visa Foundation has committed more than \$50m in grants and investments in Africa to over 20 partners. For example, Visa Foundation supported AfriLabs

online infrastructure for safe and secure digital payments. We're encouraged by this pattern of fintech innovation, as we believe it reflects the significant potential for SMB and consumer financial adoption and inclusion across the continent.

**AL: WHAT TOOLS OR FRAMEWORKS DOES VISA FOUNDATION USE TO ASSESS THE LONG-TERM IMPACT OF ITS INVESTMENTS ACROSS AFRICAN MARKETS?**

**NK:** Visa Foundation uses a combination of quantitative and qualitative tools to assess the long-term impact of its investments. These include impact measurement frameworks, regular monitoring and evaluation, and feedback from local partners.

**AL: IF YOU COULD GIVE ONE PIECE OF ADVICE TO AFRICAN FUND MANAGERS TRYING TO ALIGN BETTER WITH LP EXPECTATIONS, WHAT WOULD IT BE?**

**NK:** Make your track record crystal clear and compare it against industry benchmarks. For emerging fund managers, make your analogous track record just as clear, explain what differentiates your investment strategy compared to your peers, and back up your competitive edge with data.

# TCM'S AFRICA FUND

## Makes the Case for Frontier Exposure

By Anna Lyudvig



As global investors increasingly seek diversification beyond traditional markets, Africa's frontier economies are drawing renewed attention for their long-term growth potential and untapped value. At the forefront of this opportunity is the **TCM Africa High Dividend Equity Fund**, launched in March 2008 and managed by **Trustus Capital Management**, a Dutch asset manager with over 45 years of experience. With a distinctive focus on high-dividend equities and a disciplined, quantitative approach to stock selection, the fund offers investors a unique way to access African markets while balancing income generation and capital appreciation. In an interview with **Africa Global Funds**, **Marco Balk, Portfolio Manager at Trustus Capital Management**, shares insights into the fund's strategy, its current positioning, and how it navigates the region's complexities—from liquidity challenges to political risk.

### **AFRICA GLOBAL FUNDS (AGF): PLEASE TELL US ABOUT TCM AFRICA HIGH DIVIDEND FUND.**

**MARCO BALK (MB):** The TCM Africa High Dividend Equity Fund is an open-end investment fund based in the Netherlands. It was launched on March 31, 2008, and is registered under ISIN code NL0006173007. The fund is managed by Trustus Capital Management, a Dutch asset manager established in 1978 with over 45 years of experience.

Trustus specializes in personalized wealth management for private individuals, entrepreneurs, associations, and foundations. The firm manages approximately €700 million for over 3,000 clients, offering discretionary portfolio management, managed investing, annuity solutions, and investment funds.

The Africa fund is part of Trustus' dividend strategy and provides clients with additional diversification and exposure to Africa's long-term growth potential. While most investors are existing Trustus clients, the fund is also accessible via external platforms such as Fundsettle and Allfunds.

### **AGF: WHAT IS THE CORE INVESTMENT PHILOSOPHY BEHIND THE TCM AFRICA HIGH DIVIDEND FUND, AND HOW DOES IT DIFFERENTIATE FROM OTHER EMERGING OR FRONTIER MARKET FUNDS?**

**MB:** The fund aims for capital growth by selecting stocks with high dividend yields. It distinguishes itself through a systematic, quantitative stock selection approach, rather than relying on top-down macro views.

In contrast to many emerging market funds that are market-cap weighted, this fund employs an equally weighted portfolio. This provides a more balanced exposure across holdings and helps reduce concentration risk. ESG considerations are integrated using the UN Global Compact principles, with exclusions for companies involved in controversial weapons.

### **AGF: HOW DO YOU IDENTIFY HIGH-DIVIDEND OPPORTUNITIES IN AFRICAN MARKETS WHERE LIQUIDITY CAN BE A MAJOR CHALLENGE?**

**MB:** We begin by screening for dividend-paying companies with strong balance sheets and consistent returns on equity. A stock must meet several quantitative thresholds, including an above average dividend yield and solid current and historical ROE. We then perform qualitative analysis to assess the sustainability of dividends, looking at earnings forecasts, cash flow, profitability trends, and capital structure.

External research is used to monitor special situations like mergers or rights issues. ESG screening is conducted using Clarity AI data. Given the liquidity constraints in African markets, we require that the portfolio can meet specific liquidity thresholds - *25% must be sellable in one day, 50% within three days, and 80% within fifteen days (assuming 30% participation in average daily volumes)*.

### **AGF: HOW DOES THE FUND MANAGE COUNTRY-SPECIFIC RISKS, SUCH AS POLITICAL INSTABILITY OR CURRENCY VOLATILITY, PARTICULARLY IN MORE VOLATILE REGIONS LIKE NIGERIA OR EGYPT?**

**MB:** By maintaining a broadly diversified portfolio across multiple African frontier markets, the fund reduces its exposure to individual country risks. The maximum country weight is capped at 40%. The fund's quantitative investment approach inherently leaves less room for discretionary macroeconomic views, which are often difficult to predict reliably. Volatility in exchange rates and political instability are considered part of the natural maturation process of African markets. Rather than reacting to short-term uncertainty—such as frequently trading in low-liquidity environments or incurring high costs to hedge currencies—the fund adheres to a long-term

**“The most attractive opportunities are currently found in Nigeria and Egypt, which together account for nearly half of the portfolio. These markets are benefiting from improving macroeconomic conditions and offer compelling long-term potential**

investment horizon. This disciplined approach is designed to unlock value over time and capitalize on the structural growth potential of these markets.

**AGF: WHERE'S YOUR HIGHEST EXPOSURE AT THE MOMENT AND WHY?**

**MB:** Currently, the fund's highest country exposure is in Nigeria (24.8%) and Egypt (21.7%). This outcome is driven by our screening process, which currently identifies the most attractive stocks in these markets based on valuation and fundamentals.

Both countries are emerging from extended macroeconomic challenges—such as FX shortages and high inflation—and are showing signs of stabilization. With the prospect of interest rate cuts, there is meaningful re-rating potential, making these markets attractive for long-term investors.

**AGF: WHAT ROLE DOES SECTOR DIVERSIFICATION PLAY IN YOUR STRATEGY, AND ARE THERE ANY SECTORS IN AFRICA YOU CURRENTLY AVOID OR OVERWEIGHT?**

**MB:** Sector diversification is not something we actively steer through top-down decisions. Instead, sector weights are largely the result of our bottom-up stock selection process, which is driven by dividend yield and fundamental criteria. That said, we do monitor sector exposure to ensure sufficient diversification, with a maximum sector weight capped at 40%. Currently, the largest sector allocations are Financials at 38% and Consumer Discretionary at 13%. These weightings reflect where we find the most attractive opportunities based on our screening process, rather than any intentional sector bias

**AGF: HOW HAS THE FUND PERFORMED RELATIVE TO ITS BENCHMARK AND PEERS OVER THE PAST 3–5 YEARS, AND WHAT HAVE BEEN THE KEY DRIVERS OF PERFORMANCE?**

**MB:** As of May 23, 2025, the fund has returned 25.11% over five years, compared to 32.70% for the benchmark (MSCI EFM Africa ex South Africa). Over three years, the fund returned -0.64% versus 11.46% for the benchmark. However, in the past 12 months, the fund has outperformed, returning 31.12% against the index's 28.71%.

The medium-term underperformance was mainly due to a sharp devaluation of the Nigerian Naira in Q1 2024, where the fund held an overweight. Since then, the portfolio has recovered strongly. Key contributors in the past year include Lafarge Cement (Nigeria) and Marsa Maroc (Morocco).

**AGF: GIVEN THE FUND'S FOCUS ON HIGH DIVIDEND YIELDS, HOW DO YOU BALANCE INCOME GENERATION WITH POTENTIAL CAPITAL APPRECIATION?**

**MB:** We believe income generation and capital appreciation go hand in hand. By targeting stocks with high and sustainable dividend yields, we identify companies with strong fundamentals and disciplined capital allocation.

Our screening process helps us select undervalued stocks with long-term growth potential. In less efficient markets, dividends often indicate resilience and quality. Rather than timing markets or reacting to short-term noise, we maintain a long-term view that allows compounding and valuation re-ratings to drive total return.

**AGF: WHICH AFRICAN MARKETS OR SECTORS ARE YOU MOST OPTIMISTIC ABOUT OVER THE NEXT 12 TO 24 MONTHS, AND WHY?**

**MB:** As a bottom-up, dividend-focused fund, our optimism is reflected in current portfolio weightings rather than macro predictions. At present, we are most heavily exposed to Financials (39.6%) and Consumer Discretionary (14.0%), where we find the best mix of yield, value, and financial strength.

From a country perspective, the most attractive opportunities are currently found in Nigeria and Egypt, which together account for nearly half of the portfolio. These markets are benefiting from improving macroeconomic conditions and offer compelling long-term potential.

**AGF: HOW DO YOU SEE FOREIGN INVESTOR SENTIMENT EVOLVING TOWARD AFRICAN EQUITIES, AND WHAT COULD CATALYZE GREATER INFLOWS INTO THE CONTINENT'S STOCK MARKETS?**

**MB:** We believe that the currently cautious stance among foreign investors may gradually shift as structural reforms and improvements in governance begin to take hold across several African countries. Over the longer term, such developments can lay the foundation for more sustainable and broad-based investor confidence.

In the short term, however, sentiment could improve more rapidly if we see renewed momentum in share prices and a clear decline in inflation, particularly in key markets like Nigeria and Egypt. Lower inflation would create room for interest rate cuts, potentially triggering a re-rating of equity valuations and attracting new inflows.

Momentum and liquidity remain key elements in convincing international investors to re-engage with African markets. As fundamentals stabilize and investor visibility improves, we expect interest in the region's undervalued, dividend-paying equities to increase.

# AFRICAN MARKETS PERFORMANCE

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

Country	May	3-Month	1-Year
Botswana	2.32%	0.55%	-0.83%
Egypt	3.92%	7.62%	23.19%
Ghana	51.51%	80.14%	140.04%
Kenya	1.93%	4.87%	33.19%
Mauritius	-0.89%	3.60%	3.78%
Morocco	1.18%	10.82%	17.19%
Namibia	4.65%	4.92%	24.53%
S&P/FMDQ Nigeria	2.76%	-1.91%	14.65%
South Africa	5.75%	6.56%	27.04%
Tanzania	1.27%	3.73%	16.76%
Uganda	2.06%	2.25%	18.57%
Zambia	6.04%	20.62%	38.43%

Source: S&P Dow Jones Indices

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

Country	May	3-Month	1-Year
Botswana	4.80%	8.84%	28.39%
Cote d'Ivoire	7.22%	11.84%	44.22%
Egypt	4.81%	11.82%	17.20%
Ghana	38.03%	70.36%	142.88%
Kenya	9.07%	4.97%	29.68%
Malawi	-3.55%	-5.69%	189.61%
Mauritius	1.31%	-0.76%	17.65%
Morocco	3.80%	15.94%	48.92%
Namibia	3.87%	9.10%	18.92%
Nigeria	7.11%	3.90%	29.05%
Rwanda	10.79%	11.63%	23.59%
South Africa	6.05%	15.02%	36.80%
Tanzania	3.50%	3.59%	18.09%
Tunisia	1.87%	15.80%	24.78%
Uganda	0.18%	1.13%	47.80%
Zambia	18.08%	24.38%	51.15%

Source: S&P Dow Jones Indices

## Exchange Rate (bid) vs US Dollar

Source: Refinitiv

Country	US dollar	4 weeks	52 weeks	Country	US dollar	4 weeks	52 weeks
	Latest	% change			Latest	% change	
Algerian dinar	130.12	2.35	3.47	Mauritian rupee	45.40	1.56	3.77
Angolan kwanza	921.55	-0.03	-6.40	Moroccan dirham	9.13	1.88	9.52
Botswana pula	13.42	1.09	1.22	Mozambican metical	63.89	0.00	0.00
CFA franc	569.06	3.33	7.56	Nigerian naira	1,547.90	3.48	-4.00
Comorian franc	426.80	3.33	7.56	Rwandan franc	1,425.90	-0.50	-8.34
Congolese franc	2,868.00	0.17	-1.49	Seychellois rupee	14.78	-0.34	-0.59
Egyptian pound	50.11	0.03	-4.81	South African rand	17.94	0.97	1.70
Ethiopian birr	136.73	-1.29	-57.93	Sudanese pound	600.50	0.00	-2.41
Ghanaian cedi	10.30	19.90	45.63	Tanzanian shilling	2,585.00	4.35	0.97
Kenyan shilling	129.20	0.04	-0.15	Tunisian dinar	2.94	2.96	6.94
Libyan dinar	5.43	1.65	-10.64	Ugandan shilling	3,599.00	1.67	2.89
Malawian kwacha	1,733.50	0.00	0.02	Zambian kwacha	24.33	10.46	6.13

# PRIVATE EQUITY FUNDS & DEALS

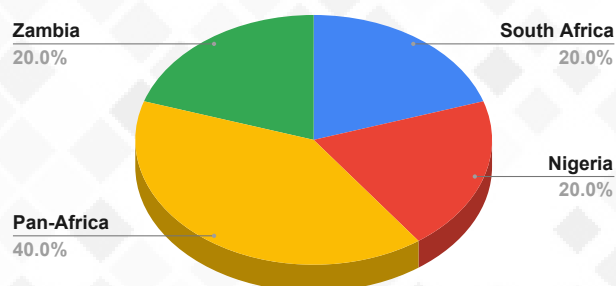
(as of the end of May 2025)

## DEALS

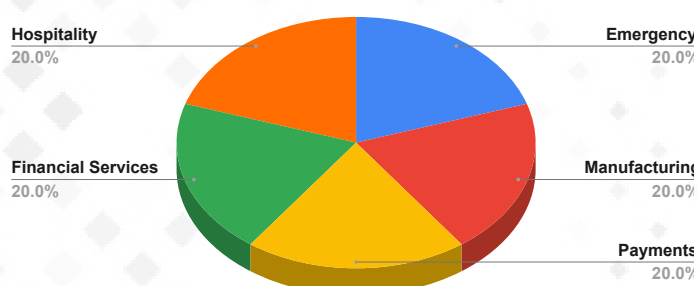
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
Africinvest // Partech	AURA	Emergency response services	South Africa	Series B	€21m
Aruwa Capital Management	Yikodeen Company	Manufacturing	Nigeria	Growth Capital	\$1.5m
Lorax Capital Partners	MDP	Payments	Pan-Africa	Secondary Buyout	
Nedbank Corporate and Investment Banking	Kasada	Financial Services	Pan-Africa	Loan	€19.4m
XXML Capital	Latitude 15°	Hospitality	Zambia	Senior secured debt	Undisclosed

### DEALS BY COUNTRY



### DEALS BY INDUSTRY



## FUNDRAISING

Company	Fund	Geography	Style	Sectors	Final Close	Target Size
Incofin Investment Management,	Water Access Acceleration Fund	Asia, Africa and Latin America	Equity	Water value chain	€61m	€50m
TLG Capital // IFC	TLG Africa Growth Impact Fund II		Private Credit	Financing in partnership with African banks to support up to 20 SMEs		

## EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Africinvest	MDP	Payments	Pan-Africa	Lorax Capital Partners	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 2025-05-31)</b>										
16.87	6.47	38.79	15.54	13.28		Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
<b>African Domestic Bond Fund (as-of 2025-05-31)</b>										
	4.6	24.3	-8.4	1.7		ETF - local currency FI	African region	Mauritius	Open-End	9/18
<b>African Lions Fund (as-of 2025-05-30)</b>										
14.46	9.18	30.35	13.61		41.50 (05/25)	Equity	SSA ex-SA	BVI	Open-End	10/20
<b>Allan Gray Africa Bond Fund (as-of 2025-04-30)</b>										
3.6	1	7.8	7.3	7.8	324.00 (04/25)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
<b>Allan Gray Africa ex-SA Equity Fund (as-of 2025-05-31)</b>										
16.76	5.95	22.39	2.53	11.56	450.00 (05/25)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
<b>Commonwealth Africa Fund (as-of 2025-06-21)</b>										
14.2	6.57	32.38	3.85	14	4.58 (05/25)	Equity	African region	USA	Open-End	11/11
<b>Coronation Africa Frontiers Fund (as-of 2025-05-31)</b>										
16.19	6.26	26.81	5.98	9.7	373.46 (04/25)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
<b>EFG-Hermes MEDA Fund (as-of 2025-05-19)</b>										
-5.74	-2.86	7.71	5.66	20.58		Equity	Africa & Middle East	Bermuda	Open-End	12/11
<b>Enko Africa Debt Fund (as-of 2025-05-31)</b>										
9.73	1.38	23.3	22.38	13.93	820.80 (05/25)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
<b>Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2025-06-21)</b>										
8.47	-1.09	12.56	11.47	0.62	264.36 (05/25)	Equity	EMEA	Luxembourg	SICAV	06/07
<b>Imara African Opportunities Fund (as-of 2025-04-30)</b>										
0.7	3.56					Equity	African region	BVI	Open-End	6/05
<b>Imara African Opportunities Fund (as-of 2025-04-30)</b>										
0.7	3.56					Equity	African region	BVI	Open-End	06/05

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

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM (\$m)	Strategy	Focus	Domicile	Type	Start
<b>Laurium Africa USD Bond Fund (as-of 2025-05-31)</b>										
4.2	5	9.8	7.4		42.70 (05/25)	Fixed Income ex South Africa	African region	Ireland	UCITS	04/21
<b>Laurium Limpopo Africa Fund (as-of 2025-05-31)</b>										
19.02	6.9	33.68	15.28	9.23	229.00 (05/25)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
<b>Mazi Capital Africa Fund (as-of 2025-05-31)</b>										
13.26	4.9	20.63	-2.17	-0.01		Equity	Africa ex-SA	South Africa	Open-End	01/16
<b>MCB Africa Bond Fund (as-of 2025-05-31)</b>										
	2.8	3.7	-26	-21.1		Fixed Income	African region	Mauritius	Open-End	2/14
<b>Old Mutual African Frontiers Flexible Income Fund (as-of 2025-05-31)</b>										
-2.76	3.11	9.3			33.56 (05/25)	Fixed Income	African region	Ireland	OEIC	05/22
<b>Old Mutual African Frontiers Fund (as-of 2025-05-31)</b>										
15.38	4.56	33.03	10.92	7.63	278.09 (1/25)	Equity	Africa ex-SA	Ireland	Open-End	5/10
<b>Robeco Afrika (as-of 2025-05-31)</b>										
21.13	8.87	41.71	8.87	13.92	24.40 (05/25)	Equity	African region	Netherlands	Open-End	06/08
<b>Sanlam Africa Equity Fund (as-of 2025-05-31)</b>										
16.92	5.72	20.57	6.15	10.05		Equity	Africa ex-SA	Ireland	Open-End	07/15
<b>Steyn Capital Africa Fund (as-of 2025-05-31)</b>										
28.5	12.05	48.37	13.1	14.7	193.00 (04/25)	Equity	Africa ex-SA	Malta	SICAV	09/11
<b>Sustainable Capital Africa Alpha Fund (as-of 2025-05-31)</b>										
10.76	6.29	10.34	4.52	11.68		Equity	Africa ex-SA	Mauritius	Open-End	02/12
<b>TCM Africa High Dividend Equity (as-of 2025-05-31)</b>										
12.57	4.46	37.66	2.27	4.04		Equity	Africa ex-SA	Holland	Open-End	03/08
<b>T. Rowe Price Africa &amp; Middle East Fund (as-of 2025-05-31)</b>										
8.59	1.74	18.39	4.5	14.87	96.77 (05/25)	Equity	MENA & SSA	United States	Open-End	10/11

# EXIT PATHWAYS IN AFRICAN PE AND VC

By: Anna Lyudvig

The African private equity (PE) and venture capital (VC) markets have long faced skepticism over exit opportunities. Concerns about liquidity, fund timelines, and return realization have historically dampened institutional capital flow into the continent. Yet, as the ecosystem matures, these perceptions are increasingly being challenged by real progress in exit mechanisms, signaling a positive inflection point for asset managers and investors alike.

Exit activity surged in 2022, with 82 recorded exits across Africa, reflecting a post-pandemic rebound and growing investor confidence. However, 2023 saw a marked slowdown, with only 43 exits—a near 48% decline—bringing exit volumes closer to pre-2022 averages. This downward trend has persisted into 2024, with just nine VC exits reported in the first half of the year, down 40% compared to H1 2023. Although these figures highlight market volatility, they also reflect a

for many mid-sized companies. In 2024, only two IPOs raised over \$500m on the continent, but there are signs of gradual improvement. The Johannesburg Stock Exchange (JSE) reported four new listings in 2024, including companies like WeBuyCars and Rainbow Chicken, indicating that larger, mature firms with strong governance and transparency can still access public capital. Nevertheless, IPOs remain exceptions rather than the rule, often pursued by only a select few well-prepared firms.

Fund-to-fund exits are another emerging trend in Africa's PE landscape. As the number of private equity managers grows, mid-sized funds increasingly exit to larger regional players or permanent capital vehicles with longer holding periods. These transactions provide clean exit routes for early investors and facilitate the deployment of institutional capital further up the growth chain

**“As the ecosystem matures, these perceptions (concerns about liquidity, fund timelines, and return realization) are increasingly being challenged by real progress in exit mechanisms, signaling a positive inflection point for asset managers and investors alike**

normalization phase amid macroeconomic headwinds.

Mergers and acquisitions (M&A) remain the predominant exit route, accounting for over 70% of exits in 2023 according to the African Private Capital Association (AVCA). Strategic acquisitions by both regional and international corporates continue to fuel this trend, especially in fintech, consumer goods, healthcare, and logistics sectors. Notable 2024 deals illustrate this momentum: Universal Music Group acquired a majority stake in Nigeria's Mavin Group for an estimated \$150–200 million, while Carlyle Group exited its investment in security equipment firm Amecor through a trade sale to ASSA ABLOY Group valued around \$700m.

Additionally, the rise of regional corporate buyers—banks, telecom companies, and diversified holding firms—has enhanced M&A reliability, providing more consistent exit channels even amid macroeconomic uncertainty.

Alongside trade sales, secondary sales have emerged as an increasingly viable liquidity tool. Early-stage VC funds and growth equity investors are leveraging secondary transactions to realize returns by selling stakes to later-stage or larger investors. This is particularly significant in African markets where Series B and C capital is growing but IPO markets remain underdeveloped. For example, in early 2024, CardinalStone Capital Advisers sold its 65% stake in West Africa's largest fitness chain, i-Fitness, to Verod Capital Management for approximately \$12m.

Initial public offerings (IPOs) continue to be limited but not entirely absent. Africa's public capital markets suffer from low liquidity, limited institutional investor participation, currency volatility, and regulatory hurdles, which constrains the IPO route

without assuming early-stage risk. The growing stratification of funds by size and investment focus marks a maturing capital market, offering greater flexibility and options for investors.

However, structural challenges persist. Currency convertibility and repatriation issues, particularly in markets like Nigeria and Ethiopia, can delay or complicate the transfer of exit proceeds. Political risk and sudden regulatory changes add further complexity, especially for cross-border transactions. Yet, experienced asset managers now treat these as manageable risks rather than insurmountable barriers, integrating them into their investment and exit strategies.

For general partners (GPs), successful exits require foresight from the outset. Early engagement with potential strategic buyers, realistic valuation benchmarks, strong financial reporting, and flexible capital structures aligned with plausible exit scenarios are increasingly standard. Building exit optionality—through dual-track IPO/M&A planning or structured earnouts—helps navigate uncertainty and maximize value. From the limited partner (LP) perspective, these practices foster greater confidence in Africa's investability and reduce the perception gap surrounding liquidity risks.

Beyond capital deployment, ecosystem-level interventions support exit readiness. Blended finance structures, technical assistance facilities, and partnerships with development finance institutions (DFIs) help strengthen governance, improve operational capacity, and enhance scale readiness, all contributing to better exit outcomes. These supports are critical for early-stage ventures navigating fragmented markets and complex regulatory environments.

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