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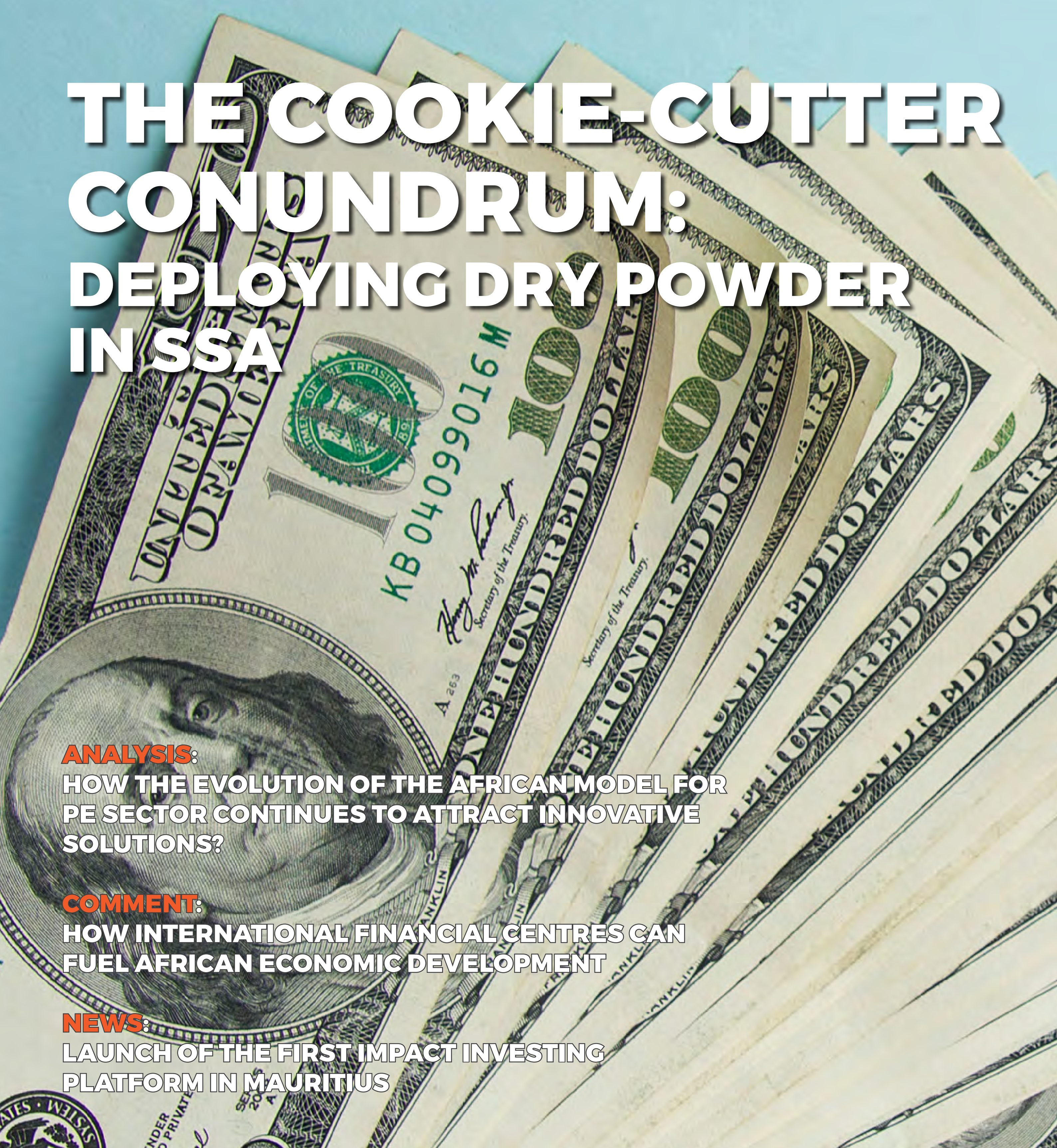
AFRICA GLOBAL FUNDS



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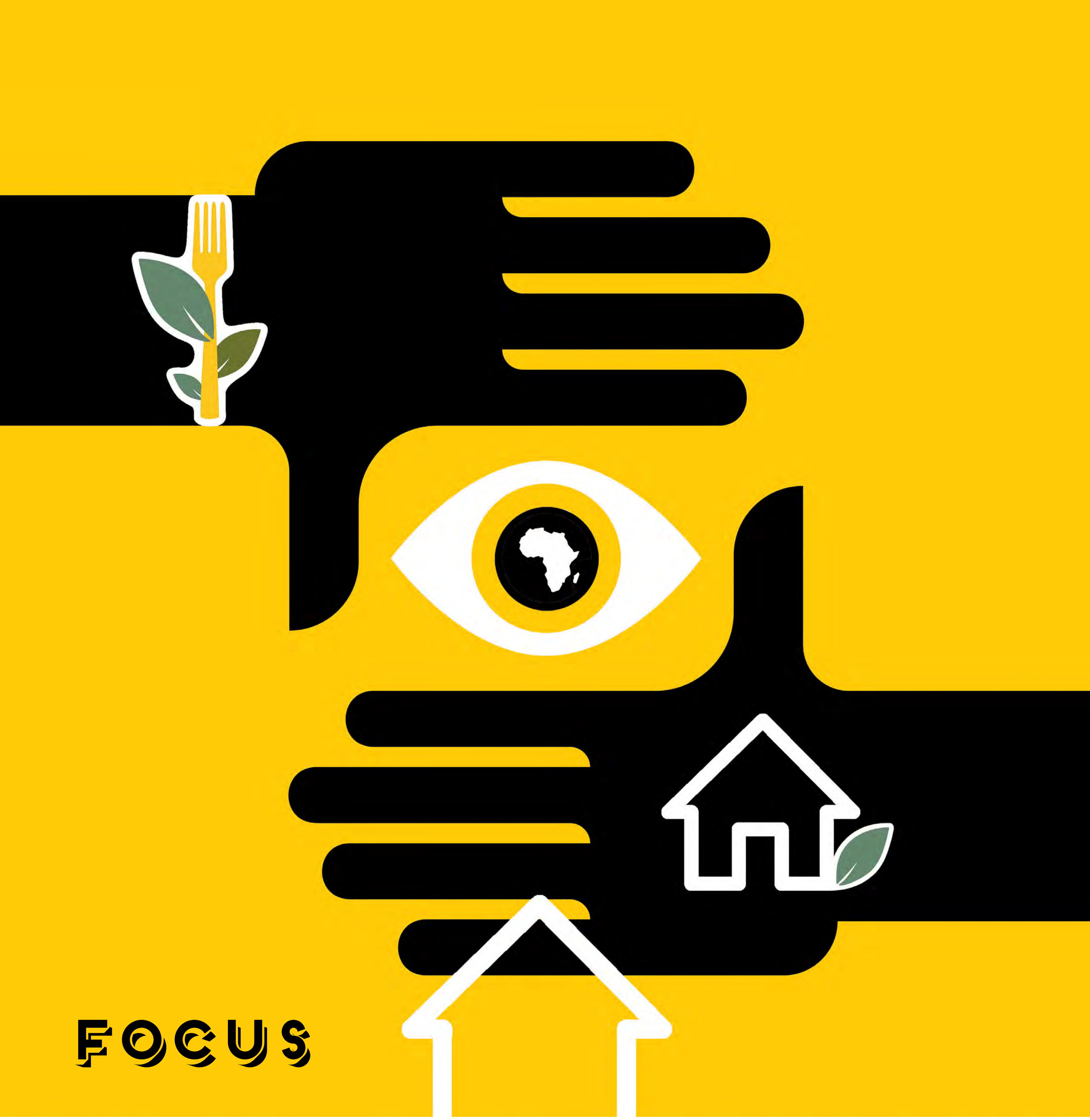
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Dear Reader,

According to Preqin, private capital dry powder has reached $2trn and is climbing. The trouble is that capital commitments continue to grow and are not being called on in what appears to be a sellers' market, writes James Rae. Read on to find more on how to deploy dry powder in Sub-Saharan Africa on pp. 16-17.

In this month's issue, we also hear from leading PE experts on how the evolution of the African model for PE sector continues to attract innovative solutions (pp. 14-15).

On the fundraising front, LeapFrog Investments has announced the largest-ever private equity fund by a dedicated impact fund manager, surging past its $600m target to reach $700m. Meanwhile, AfricInvest has announced the fourth close of FIVE, an ever-green platform for investing in financial institutions in Africa. Finally, Kasada Capital Management, a Sub-Saharan hospitality investment platform, has reached a first close on its maiden fund Kasada Hospitality Fund LP with equity commitments of over $500m (News on pp.4-6).

Finally, Elise Donovan of BVI Finance shares her thoughts on how international financial centres can fuel African economic development on p. 22.

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Best regards,
Anna Lyudvig
Managing Editor

Anna Lyudvig

Published by
Africa Global Funds LLC

LeapFrog's Fund III targets $700m

Andrew Kupner,
Founder & CEO
LeapFrog

LeapFrog Investments has announced the largest-ever private equity fund by a dedicated impact fund manager, surging past its $600m target to reach $700m.

The new fund invests in healthcare and financial services companies – tapping into the demand from billions of emerging consumers in Asia and Africa.

The success of the fund reflects LeapFrog's track record of delivering both strong financial results and large-scale social impact.

Andrew Kuper, Founder and CEO of LeapFrog Investments, said: "The world's leading insurers, pensions and asset managers, development finance institutions, foundations and family offices.

Most backers are repeat investors with LeapFrog, including: Admiral, AIG, AXA XL, Everest Re, Hannover Re, Prudential Financial, QBE and Zurich; Ascension Capital, Pinebridge and TIAA-Nuveen, Kempen, Partners Group Impact, Stiftung Abendrot and SBZ as well as Christian Super and HESTA; DEG, IFC, Proparco; also a board-approved commitment from the OPIC; Merck & Co and foundations including PactWorld, the Ford Foundation and the Rockefeller Foundation.

"OPIC is committed to supporting breakthrough investment in developing countries. LeapFrog is a compelling fund manager and strong partner for deploying capital into successful companies to bring large-scale impact," concluded David Bohigian, Acting President and CEO of OPIC.

> *"As our third fund and largest fund, it is a decisive demonstration that meeting the real needs of under-served people is great business*
>
> - Andrew Kuper, Founder & CEO, LeapFrog Investments

announcement marks an unprecedented level of commitment to independent impact investment managers, with a new fund backed by diverse best-in-class institutional investors. It also marks an important moment for responsible private equity. As our third fund and largest fund, it is a decisive demonstration that meeting the real needs of under-served people is great business."

"Prudential's lead investment in LeapFrog's latest fund underscores our conviction in the power of capital-based solutions to solve the financial, social, environmental, and economic challenges of our changing world," said Charles Lowrey, Chairman and Chief Executive Officer of Prudential Financial.

"We are pleased to partner with LeapFrog to realize the enormous potential for inclusive growth and shared prosperity in emerging Asia and Africa."

LeapFrog's new fund has already made five investments: WorldRemit, a global digital remittances provider globally; NeoGrowth, which provides innovative unsecured-credit products to micro, small and medium enterprises across India; Goodlife Pharmacy, the largest provider of healthcare services in East Africa; Pyramid Pharma, a distributor of medicines and diagnostic and surgical equipment across Africa; and Ascent Meditech, a company that manufactures and delivers orthopaedic products across India that help avoid crippling pain.

This is LeapFrog's third fund with investors including many of the

"We are very pleased to be a lead investor in this new fund for emerging markets in Asia and Africa. This will expand the reach of development finance through investments in innovative portfolio companies that will serve millions of new consumers in the developing world," he said.

"We want to substantially increase impact investing for a sustainable world – so we are delighted to be supporting the largest equity fund by a dedicated impact manager in emerging markets," said Philippe Le Houérou, CEO of IFC, the private sector arm of the World Bank Group and a lead investor in the new fund.

"By investing in this fund, IFC is expanding our long-standing partnership with LeapFrog and together we will drive this investment toward financial inclusion and health access. We want more and more investors who are looking to do well while also doing good."

The new fundraise will take LeapFrog to $1.6bn of total commitments, sustaining its position as the largest private equity manager entirely dedicated to impact investing.

"As pioneers of commercial impact investing, our goal over the last decade has been to build truly differentiated investment vehicles, that present a compelling opportunity for top-tier investors to access emerging markets – and fulfill their financial and purpose objectives," said Nick Moon, LeapFrog Partner and Head of Investor Relations.

"We have been delighted with the enthusiasm for this latest fund from longstanding as well as first-time investors," he added.

FUNDRAISING

FIVE achieves fourth close

AfricInvest has announced the fourth close of FIVE, an evergreen platform for investing in financial institutions in Africa.

This fourth closing brings FIVE's total commitments to €82.5m.

Subsequent closings are expected to take place over the coming years to reach the fund's target size of €R200m.

Through its investments, FIVE aims to improve access to financial services for the growing African population, while achieving attractive financial returns for its investors.

AfDB, the African Development Bank, joined the capital of FIVE alongside existing investors FMO and BIO, the development finance institutions of the Netherlands and Belgium, respectively; Norfund, the Norwegian investment fund for developing countries; IFU, the Danish investment fund for developing countries; KfW, the German government-owned development bank and CBK Pension Fund, the pension fund of the Central Bank of Kenya.

"We are pleased to complete this fourth fund raising round, and proud to have AfDB joining FIVE's journey. This successful closing with such a renown investor reflects our strong commitment to the African financial sector and the attractive investment opportunities available. AfDB's support is a significant milestone for the fund and will certainly encourage other major global investors to rally around our vision and ambition to pave the way to universal access to financial services on the African continent," said Omar Bekkali, Director at AfricInvest.

Stefan Nalletamby, Director, Financial Sector Development of the AfDB, added: "The African Development Bank has committed €15m in the capital of FIVE, managed by AfricInvest. By equipping African financial institutions with innovative solutions and supporting them in their digital transformation, FIVE will play a role in strengthening Africa's private sector as the supported banks will be in a better position to provide long term financing to SMEs. In addition, FIVE's mandate of fostering and enabling financial inclusion, notably through support to MFIs and Fintech companies, will offer innovative solutions to financially underserved groups on the continent."

FUNDRAISING

KawiSafi Ventures raises $70m
to invest in African energy

Acumen, a non-profit organisation that invests philanthropic capital in companies and leaders tackling poverty, has announced an approximately $70m close of the for-profit fund, KawiSafi Ventures.

KawiSafi aims to deliver clean, affordable energy to 10 million people, at least half of whom live in poverty, and displace more than one million tons of carbon dioxide in the next 10 years, to address energy poverty and help avert the current climate crisis.

To date, KawiSafi has invested $21m to impact 4.3 million people and avert 360 thousand tons of carbon dioxide emissions.

In Sub-Saharan Africa, more than 600 million people currently live without electricity and spend $17bn a year on dirty, inefficient energy.

Jacqueline Novogratz, Founder and CEO of Acumen, said: "We created KawiSafi to prove that renewable, off-grid energy can be a faster, cheaper and cleaner way to electrify the continent. By building scalable solutions that can bring power to low-income communities that have lived without electricity for too long, we can create a seismic shift in off-grid energy, releasing immense levels of human productivity and minimizing impact on the environment."

"Given that Africa's population is expected to nearly double by 2030, a clean energy strategy is good not just for the continent but for everyone."

The fund maintains Acumen's values and impact-focused approach to investing, but aims to deliver market-competitive returns by making larger, more significant investments in high-growth companies with proven business models.

"The energy landscape has changed drastically in the last decade, and we have seen proven, profitable businesses emerge that are already transforming how low-income people access electricity," said KawiSafi's Managing Director Amar Inamdar.

"These companies need early-growth capital to scale so they meet customer demand and drive innovation in a rapidly evolving ecosystem. KawiSafi will fill critical market gaps to create a sustainable, off-grid ecosystem, supporting countries to realize their UN Sustainable Development Goal of universal energy access."

KawiSafi is managed by Acumen Capital Partners, an Acumen-owned subsidiary that structures and manages funds investing in social enterprises poised to scale to transform the lives of low-income people everywhere and solve some of poverty's greatest challenges.

Acumen Capital Partners leverages Acumen's nearly 20 years of investing in the world's toughest, most underdeveloped markets to address critical capital gaps for social enterprises on their journey to scale.

Some of KawiSafi's early supporters include anchor investor the Green Climate Fund along with Steve Jurvetson, Chris Anderson and the Skoll Foundation. Acumen, as sponsor, holds an equity interest in the fund.

Green Climate Fund's Executive Director ad interim Javier Manzanares said that KawiSafi Ventures has great potential in its ability to act as a role model for similar renewable energy investments in other countries.

"While the establishment of off-grid solar power will initially target at least 10 million energy-scarce people in Rwanda and Kenya, this fund has elements which could be replicated in bringing universal, low-emission power to communities elsewhere," he said.

"A key benefit of KawiSafi Ventures is the way it empowers solar power entrepreneurs at the grassroots level to leapfrog the need for fossil fuels in lighting up people's lives," he added.

FUNDRAISING

Kasada raises over $500m for new hospitality fund

Kasada Capital Management, a Sub-Saharan hospitality investment platform, has reached a first close on its maiden fund Kasada Hospitality Fund LP with equity commitments of over $500m.

This is in line with a first announcement disclosed in July 2018 by Katara Hospitality and Accor who are respectively contributing $350m and $150m.

The fund will target both greenfield and brownfield projects.

The hospitality market is currently one of the most promising and yet underserviced sectors in Sub-Saharan Africa where growing economies and emerging middle class are creating high-growth markets that are left largely untapped.

Kasada Capital Management intends to bridge the gap between the local hospitality market players and international investors.

The team is co-led by Olivier Granet (CEO and Managing Partner) a former CEO of AccorHotels Middle East & Africa and David Damiba (CIO and Managing Partner), a former partner at Helios Investment Partners.

Kasada believes its positive social impact is key to becoming the number one sustainable hospitality fund dedicated to Africa.

Co-investments with local partners will support local job creation and further local business opportunities throughout the hospitality value chain, from investors to constructors and equipment suppliers.

Olivier Granet, CEO, said: "There is an incredible opportunity ahead to try out an innovative hospitality investment platform in the region. While in other parts of the world such initiatives are already thriving, they do not exist with critical size and integrated structure in Sub-Saharan Africa. The time is now for bold strategies to be implemented."

"Thanks to Accor and Katara's support we benefit from a unique competitive advantage supported by a strong portfolio of brands enhancing our ability to raise debt efficiently from local banks and international financial institutions. This is the best structure to address the needs of the region, develop attractive products and reach critical mass quickly to take a leadership position. I believe that our team of professionals combining experts from project financing to hotel management all with a solid local knowledge is exceptionally well placed to succeed."

DEALS

IAPEF2 makes follow-on investment in wiGroup

Investec Africa Private Equity Fund 2 (IAPEF2) has completed a follow-on growth equity investment in its portfolio company - wiGroup, a mobile-transacting software provider.

Terms of the equity round were not disclosed.

Peter Baird, Managing Principal - Head of African Private Equity at Investec Asset Management, said: "The equity was raised to strengthen wiGroup's balance sheet, and to provide capital for the Company to accelerate its growth, particularly in international markets."

All of wiGroup's institutional investors – Crossfin, Virgin Money, Smollan, and Investec Asset Management – have committed additional capital to the round.

IAPEF2, which is a $295m fund raised in 2014, remains the largest shareholder in the Company.

Founded in 2007, wiGroup has established itself as a leading provider of enterprise software in loyalty, coupons, and rewards (LC&R).

WiGroup is also a leading provider of merchant integration and mobile payment services.

The company delivers these cutting-edge solutions to leading clients in retail, banking, quick service restaurants, insurance, and telecommunications.

The additional equity will support wiGroup's accelerated growth, particularly in LC&R, both in South Africa and in international markets.

Since Investec Asset Management made its initial investment in 2015, wiGroup has more than doubled its revenues, client numbers and store footprint.

"WiGroup has been investing heavily in upgrading and expanding its core software offering. We now believe that wiGroup's loyalty/coupon/rewards and mobile commerce software are competitive with any provider on the planet. The Company's primary focus is now on commercializing this software stack in South Africa and internationally," Baird told *Africa Global Funds*.

Investec Asset Management established an African private equity capability in 2008. The Private Equity strategy focuses on growth capital and buyout investments in established mid-market and larger companies in Africa, with the objective of supporting the creation of local or regional champions in their respective industries.

"Our Fund 2 is roughly 85% invested or committed," said Baird.

DEALS

Allianz X makes first investment in African-headquartered company

Allianz X, the digital investment unit of the Allianz Group, has invested in SafeBoda, a major African ride hailing platform that also offers various on-demand consumer and payment services, based in Kampala, Uganda.

"SafeBoda is a promising start-up with substantial growth potential, including the development of relevant financial services and insurance products," said Coenraad Vrolijk, CEO of Allianz Africa.

"We look forward to our strategic collaboration and to being part of SafeBoda's success story."

This is Allianz X's first investment in an African-headquartered company.

For the Series B investment, Allianz X is co-investing with Go-Ventures, a venture fund whose cornerstone investor is GO-JEK.

SafeBoda aims to offer reliable and safe transportation to its customers and its mobile payment platform is an example of digital companies contributing to financial inclusion across Africa.

"Our investment in SafeBoda underlines our continued commitment to growth markets. We are excited to participate in the development of ride hailing ecosystems in Africa," said Oliver Ullrich, Corporate Development Director at Allianz X.

"SafeBoda has successfully established itself in the ride hailing market in Uganda and we look forward to supporting the company's expansion into additional countries and services," he said.

Allianz intends to leverage its regional presence and capabilities, working with SafeBoda to transform transportation, logistics, and payment sectors in Africa.

> *"SafeBoda has successfully established itself in the ride hailing market in Uganda and we look forward to supporting the company's expansion into additional countries and services*
>
> - Oliver Ullrich, Corporate Development Director at Allianz X

Allianz and GO-JEK are already partners in GO-JEK's home market of Indonesia.

SafeBoda is an on-demand transportation service provider in East Africa.

SafeBoda provides value to consumers, drivers and passengers, with additional financial services, payments and other on-demand services to keep Africa moving forward.

"SafeBoda is excited to have Allianz X join our investor group, particularly as we deepen our platform and add a number of important FinTech services for both SafeBoda drivers and passengers," said Alastair Sussock, Co-CEO and co-founder of Safeboda.

"We are confident that collaborating with Allianz will enable us to grow the business and impact the wider community across East and West Africa."

EXITS

Mediterrania sells significant stake in Cash Plus

Mediterrania Capital Partners, a private equity firm focused on growth investments for SMEs in North Africa and Sub-Saharan countries, has sold a significant stake in Cash Plus, the largest independent money transfer company in Morocco, to Groupe Richbond, a Moroccan industrial and property conglomerate.

Hatim Ben Ahmed, Partner at Mediterrania Capital Partners, said: "Four years after our investment, Cash Plus has grown to become a strong company with the right basis for long-term growth. We are very pleased to have contributed to the development of a national champion in the Fintech industry in Morocco. The sale of part of our stake to Groupe Richbond fully supports Cash Plus's future strategy in terms of product and service development and expansion continuity."

Founded in 2004, Cash Plus is Morocco's leading independent money transfer and low-income financial services provider and operates through more than 1,400 points of sale across the country. The company enables its clients to access a comprehensive portfolio of inclusive financial products through its outlets and transactional mobile application.

In 2014, Mediterrania Capital Partners entered Cash Plus's equity by acquiring a 49% stake. During Mediterrania Capital's four-year tenure, Cash Plus annual revenues increased by 300% while EBITDA jumped six-fold in the same period.

Mediterrania Capital supported Cash Plus's strong expansion plans by helping the company to strengthen its presence in Morocco, which grew from 360 points of sale to more than 1,400 and added new products and services to its portfolio.

Under Mediterrania Capital's partial ownership, Cash Plus also developed its own ERP system and web-based applications for money transfer and payment services and was recently granted a payments licence by the Central Bank of Morocco.

Groupe Richbond will hold 40% in Cash Plus and benefit from the solid foundation that Cash Plus's management and the Mediterrania Capital Partners team have built up over the past four years.

Nabil Amar, Cash Plus Deputy CEO, said: "Mediterrania Capital has been an extremely valuable partner for the past four years. Thanks to their management expertise and financial support, we have been able to successfully integrate Eurosol (acquired in November 2015) and, improve our Strategy and HR processes. We have also implemented a strong discipline of financial reporting, becoming a results- oriented company."

Karim Tazi, Groupe Richbond shareholder and Board Member, said: "The acquisition of a stake in Cash Plus supports our business strategy and brings high synergies with our current portfolio. After Mediterrania Capital's partial ownership, Cash Plus is very well positioned to capture the increasing demand for financial services in Morocco."

> "*Mediterrania Capital has been an extremely valuable partner for the past four years*
>
> - Nabil Amar, Cash Plus Deputy CEO

EXITS

Adenia sells dairy company in Madagascar

Adenia Partners, a private equity fund manager focused on control investments in Sub-Saharan Africa, has exited its investment in Socolait, a dairy producer and distributor in Madagascar.

The stake was sold to a consortium formed of a European strategic player and a local FMCG group, according to Martha Osier, Principal at Adenia Partners in Kenya.

With the Socolait exit, Adenia Capital (II) has achieved an average gross IRR of 27%, which ranks in the top quartile of African private equity funds performance.

Adenia Partners, through Adenia Capital (II) and Adenia Capital (III), originally acquired close to 100% in Socolait in March 2012 in partnership with the company's Managing Director, Philippe Penouty.

Both funds have exited the investment.

Established in 1971, Socolait produces dairy products, which include cheese, yoghurt, sweetened condensed milk, and infant wheat flour.

The company distributes its products throughout Madagascar via a network of wholesalers, large retailers and small shops.

Approximately 2,000 small-holder dairy farmers provide their milk daily to the company in the region around Antsirabe, where 70% of the milk production of the country is concentrated.

Socolait employs over 180 employees, most of who are based at the factory in Antsirabe, and rest at the head office in Antananarivo.

During the life of this investment, Adenia transformed the company's business model from a simple sweetened condensed milk production plant, into the country leader in fresh dairy products, despite a highly competitive environment.

This transformation was realized through (i) the development of a fresh milk collection network of ~2,600 small-scale farmers, (ii) large investments to refurbish the factory and to upgrade the processes that are now ISO 22000 and HACCP certified, (iii) the rebalancing of the products range towards yoghurts, (iv) the setup of a robust distribution network in the country's major cities, and (v) a strong marketing campaign that positioned the company as a flagship food brand in the country. On the back of this 5-fold strategy, Socolait experienced a 20% turnover CAGR in Euros over the past 4 years.

Osier told *Africa Gloval Funds* that "Fund II is now fully exited with formal announcement to come in next few weeks, while Fund III still has majority of investments".

Adenia is planning "at least two more exits before end of this yea," Osier said.

EXITS

Phatisa's AAF delivers first exit

Phatisa, an African development and private equity fund manager, has reached an agreement with Ma'aden on the sale of its controlling shareholding in Meridian Group (Meridian).

The transaction is subject to conditions precedent, including regulatory approvals.

Meridian is a prominent African agricultural inputs business, distributing approximately half a million tonnes of fertiliser across four countries; generating revenues in excess of $300m.

Meridian's flagship fertiliser brand, Superfert, is available throughout Malawi, Mozambique, Zimbabwe and Zambia, and has earned a loyal customer base due to its superior quality and bespoke blends, proven to stimulate agricultural productivity.

Through its African Agriculture Fund (AAF), Phatisa initially invested expansion capital into Meridian in 2014, enabling the business to accelerate growth, becoming an integral part of the agricultural value chain for smallholder and commercial farmers across the region.

Phatisa was the lead investor of a consortium including Mbuyu Capital as a co-investor.

Rinolan Moodley, Deal Partner at Phatisa, said: "Meridian exemplifies Phatisa's ethos of development equity, demonstrating how private equity investments can deliver a tangible and sustainable impact on food security within the continent, as well as driving superior returns for our investors."

"Our capital and insight were instrumental in developing Meridian's distribution networks, providing smallholders with access to customised fertiliser blends that continually drove volume growth and resulted in EBITDA tripling over our investment period. Importantly, during this growth trajectory, we positively impacted over 13,000 smallholders – 69% of which were women – with our training programmes and technical assistance facility," he added.

Ma'aden is a mining and metals company based in Saudi Arabia, operating a diverse portfolio of mineral assets including phosphate, aluminium, gold and copper.

The Meridian executive team will remain with the business, partnering with Ma'aden, a diversified resources company, listed on the Saudi Arabian stock exchange.

This partnership will further strengthen Meridian's market position, leveraging Ma'aden's global presence and integrated supply chain, allowing the company to better service the growing demand for fertiliser across the region.

Michiel Timmerman, Managing Partner at Mbuyu Capital, said: "Meridian's market leadership, strong management team and Phatisa's lead as a specialist in the sector made Meridian an excellent opportunity to create attractive financial returns for investors with development impact as a co-product."

"Phatisa's technical assistance facility, associated with its African Agriculture Fund (AAF), enabled the firm to leverage the impact of its financial investment, through the longer-term initiatives needed to develop the smallholder agriculture sector and create sustainable demand for Meridian's products."

Rothschild acted as transaction adviser and DLA Piper as legal adviser to Phatisa and Meridian.

PE INDUSTRY NEWS

BlueOrchard partners with IFC

BlueOrchard Finance has become among the first signatories to the Operating Principles for Impact Management, a market standard for impact investing initiated by the International Finance Corporation (IFC), a member of the World Bank Group.

As part of a consortium of global public and private organisations involved in the development of the Principles, BlueOrchard has significantly contributed to their conceptualisation.

The Principles provide a clear and common market standard for what constitutes an impact investment, addressing concerns about "impact-washing."

They will bring greater transparency, credibility, and discipline to the impact investing market.

Patrick Scheurle, CEO of BlueOrchard, said: "It is very encouraging to see the growing commitment to impact investing from both investors and the investment management industry in general. More and more investors rightly expect impact measurements which can be compared industry-wide in the same way as mainstream financial measurements."

"A comparable, common set of impact measurements will help additional investors to enter the space and make a social and environmental impact. Building on our nearly 20-years of impact investing track-record, we will continue to share our expertise and lead the way in developing and implementing best-practices in impact management."

"In order to achieve its true potential and fully contribute to the achievement of the SDGs, it is necessary for the impact investing industry to reach scale. An essential component of this process is the improvement, professionalisation and standardisation of the industry's impact management processes as this demonstrates the effectiveness and relevance of impact investing in achieving the SDGs," said Peter A. Fanconi, BlueOrchard's Chairman of the Board.

Since its inception nearly 20 years ago, BlueOrchard has been contributing to the development of a global and common set of tools and best practices for impact management.

"We are proud to be one of the few impact investors with a proprietary impact management tool, which we have constantly improved and aligned to industry standards. We are convinced that the IFC principles will become a benchmark standard and therefore have proactively contributed to their development. Furthermore, we are among the first who have already aligned their impact management practices to the Principles, portrayed in our recently published BlueOrchard Impact Report," said Maria Teresa Zappia, Chief Investment Officer of BlueOrchard.

The Principles are intended to be a reference point for investors for the design and implementation of their impact management systems.

They may be implemented through different types of systems, which are designed to be fit for purpose for different types of institutions and funds.

INVESTORS

FMO's IDF gets new name and new funding

The Dutch Ministry of Foreign Affairs has renewed the mandate of FMO's Infrastructure Development Fund (IDF) and topped the fund with €100m.

A new strategy has been formulated as part of the mandate renewal, directing investments to agribusiness, infrastructure and climate change mitigation and adaptation.

The fund will continue under a new name: Building Prospects.

The MOL Fund (Minst Ontwikkelde Landen, later called the Infrastructure Development Fund or IDF) was established in 2002.

The Fund was specifically designed to facilitate basic infrastructure services.

Linda Broekhuizen, CIO at FMO: "Building Prospects is designed to drive private sector development through the creation of reliable infrastructure in many sectors, including agribusiness, energy, transport, ports, water, and social infrastructure."

"It follows an inclusive approach to reduce – particularly gender - inequality by financing companies that serve people at the base of the pyramid. Each Building Prospects investment is additional, providing funding for initiatives that the market cannot fulfil due to elevated risk."

Building Prospects first and foremost drives job creation through private sector development.

In addition, Building Prospects aims to mitigate the effects of climate change.

As climate change tends to strongly affect low-income countries, investees need to strengthen their ability to reduce GHG emissions and/or adapt to the consequences of climate change.

The fund has an official climate marker, indicating that it contributes to the climate goals set by the Dutch Government.

Hans Docter, Director Sustainable Economic Development at the Ministry of Foreign Affairs, said: "The Sustainable Economic Development Department of the Ministry of Foreign Affairs views the development of good infrastructure as one of the most important enabling factors for generating sustainable, inclusive economic growth in developing countries."

"FMO has an excellent track record in investing in private infrastructure projects in the developing world, thereby contributing to sustainable economic growth, and, most importantly, jobs. We are proud to announce that Building Prospects will continue to do so and will expand its infrastructure investments in the years to come. In that way, the fund will contribute to eradicating the root causes of poverty in the developing world, which is one of the central priorities of Minister Kaag for Foreign Trade and Development Cooperation."

"With Building Prospects, we can invest early on, take high risks and in doing so, realize projects with high development impact that would otherwise not have been bankable.

MARKETS AND INDUSTRY NEWS

Nile Africa, Frontier and Emerging Fund ceases operations

Nile Capital Investment Trust has decided to terminate the Nile Africa, Frontier and Emerging Fund, according to the SEC filing.

The Board of Trustees has concluded that it is "in the best interests of the Nile Africa, Frontier and Emerging Fund, a series of the Trust, and its shareholders, that the Fund ceases operations".

The Board has determined to close the Fund and redeem all outstanding shares on March 28, 2019.

As of March 12, 2019, the $9.91m Fund's 1-year return was -23.03%, whereas its 5-year return was -4.65%.

Effective March 12, 2019, the Fund will not accept any purchases and will no longer pursue its stated investment objectives.

"The Fund will begin liquidating its portfolio and will invest in cash equivalents such as money market funds until all shares have been redeemed. Shares of the Fund are otherwise not available for purchase."

Nile Capital Management was the Fund's investment adviser, whereas Larry Seruma, Managing Principal of the Adviser, has served the Fund as its Portfolio Manager since it commenced operations in 2010.

The Fund managed a focused portfolio of 30-40 stocks "drawn from the most attractive emerging and frontier markets", according to the LinkedIn company page.

"The fund emphasizes growth at attractive valuations in leading companies with established franchises and consistent revenue/profit growth. Our extensive knowledge of South Africa, Egypt and frontier markets is continuously updated through extensive "on-the-ground" contacts and resources," according to the same source.

"We can give your portfolio a stake in the continent's most attractive economies, best companies and long-term growth potential. In addition to the mutual fund, we are structured to provide separate managed account services for investors."

The company's website no longer exists.

As of March 28, 2019, the Fund's assets stood at $9.32m.

For the year ended March 31, 2019, the Fund's NAV (Institutional class) was $13.57.

Prior to March 28, 2019, shareholders could redeem their shares, including reinvested distributions.

According to SEC filing, any shareholders who have not redeemed their share to the Fund prior March 28, 2019, will have their shares "automatically redeemed as of that date, and proceeds will be sent to shareholders' address or record or returned to the clearing account at a shareholder's financial institution, as applicable."

ABEF2019
AFRICA BLUE ECONOMY FORUM

Investing in a sustainable and inclusive economy

25th & 26th June 2019

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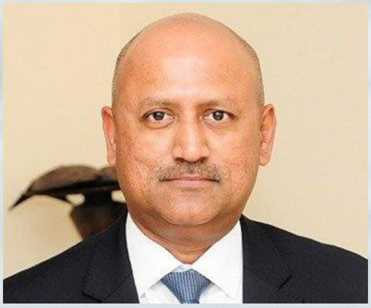
HE ELIZABETH NAA AFOLEY QUAYE
Minister of Fisheries and Aquaculture
Republic of Ghana

HE SAMIR TAIEB
Minister of Agriculture, Hydraulic Resources and Fisheries
Republic of Tunisia

Dr FRANNIE LÉAUTIER
Chief Operating Officer and Asset Management Executive Director
Trade and Development Bank



SANJEEV GUPTA
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Africa Finance Corporation

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Founding President & CEO
World Ocean Council

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ASSET SERVICING

AXIS and Innpact launch Mauritius Impact Finance Gateway to Africa

Adnan Razzak,
Head of Fund & Investor Service
AXIS

Axis and Innpact have launched the first impact investing platform in Mauritius, the Mauritius Impact Finance Gateway to Africa (MIFGA), which enables fund promoters to set-up and manage impact finance vehicles in an efficient and cost-effective manner.

The platform was launched during the AFSIC conference held on 8-10 May in London.

MIFGA has been approved by the Mauritius Financial Services Commission to operate as a closed-end fund - Professional Collective Investment Scheme and has appointed Innpact (Mauritius) as its investment manager under a CIS Manager license, according to Adnan Razzak, Head of Fund & Investor Service at Axis.

MIFGA has already on-boarded its first client namely Greentec Capital Partners.

"We on-boarded our first client shortly after receiving the licenses and approvals in Q4 2018 and AFSIC taking place in London provided the perfect setting for the launch," Razzak told *Africa Global Funds*.

MIFGA has been designed as a turnkey solution addressing the key challenges typically faced by new impact funds: complexity of blended finance structures, time to market and availability of resources, especially during the ramp-up phase.

"MIFGA is designed to host impact finance funds, especially for first time investment managers, under an umbrella structure. It is conceived as a structured environment offering a comprehensive range of impact finance services for the structuring, the administration and the management of investment vehicles supporting sustainable development sectors. The platform is also open for existing fund managers wishing to set up their next fund," Razzak said.

The platform leverages on the 10-year experience of Innpact in the establishment of 20+ structured vehicles for public, private and non-profit organizations, as well as in the delivery of portfolio and risk management services to major players in the impact finance industry.

Through Axis and its sister company BLC Robert, fund promoters benefit from state-of-the-art domiciliation, fund administration, accounting and legal services in Mauritius with a strong direct expertise of African jurisdictions.

BLC Robert is a member of ALN, a pan African alliance of top tier law firms.

MIFGA combines the advantages of a lean and flexible operating model with the robustness and track record of its members in supporting impact funds.

Drawing on the expertise of Innpact, Axis, BLC Robert, Standard Chartered Bank and the Mauritius Commercial Bank, MIFGA offers a comprehensive fund management solution to impact investment managers willing to focus on their core area of expertise: deal management.

> *"Given the challenges of investing directly in diverse underlying African countries, Mauritius has been the jurisdiction of choice for the setting up of global funds*
>
> - Adnan Razzak

Razzak said: "The platform has been set up for fund promotors looking to foster the development of impact investments mainly targeting Africa."

"Given the challenges of investing directly in diverse underlying African countries, Mauritius has been the jurisdiction of choice for the setting up of global funds for the following reasons (i) skilled workforce (ii) fund regulated status with strong AML/CFT regulations (iii) robust and stable regulatory environment (iv) lower administration costs (v) a jurisdiction of proper substance with a strong governance framework (vi) no exchange controls and free repatriation of profits," he added.

How the evolution of the African model for PE sector continues to attact Innovative Solutions?

Samantha Pokroy,
CEO
Sanari Capital

Private equity (PE) in African markets face all the usual challenges, and a few more for good measure. It also faces exceptional growth prospects in the coming years, largely driven by demographic and income trends that are hard to ignore. But innovative solutions are definitely required.

One of the biggest obstacles to date for the proliferation of private equity in Africa has been the shortage of large-scale investment opportunities and fewer options when it comes to exit strategies.

Most well-known players have investment minimums of approximately $30m and also prefer control positions. Businesses of this scale are currently limited and concentrated in countries like South Africa and Nigeria. They're also generally unlisted, tightly held and often family-owned. This means that the competition on large deals is high, resulting in over-paying – the biggest threat in private equity return performance. Even in South Africa, smaller deal flow in the large part of the market combined with low economic growth makes delivering attractive dollar-based returns a difficult task.

Enter the Lower Mid-Market. Enter the SMEs. Enter the family businesses. Enter the technology plays. Here there are abundant opportunities in South Africa and around the continent, waiting to be tapped. Sanari sees the key innovation for the African continent in the development of a private equity ecosystem whereby multiple fund managers work together, like a relay team, taking young or small businesses and scaling them up to medium-sized, then mid-market and eventually to the size and scale which attracts large multi-national private equity giants to our shores. Classic examples have started to emerge like the Teraco investment, initially funded by local private equity fund manager Treacle over 10 years ago, then attracting capital from Permira and recently Berkshire Partners from the US (not to be confused with Berkshire Hathaway). At each pass of the baton, the private equity fund unlocked multiples of capacity in Teraco's vendor-agnostic data-centres, and multiples of value. Other examples are Vumatel, Libstar and Sanari's own portfolio companies Snapt, Sensor Networks and Fernridge which are following this model. At each phase of growth, different fund managers contribute different skill sets and value to the business.

While secondary sales to other private equity funds are often dismissed in favour of sale to a strategic investor, leveraged recaps or an IPO, with investors concerned that all value is extracted by the initial private equity funder, in reality there is a great deal of value to be unlocked on the continent and different players hold the keys to different pockets of value. Fund managers focused on the smaller cap players effectively incubate investment opportunities for private equity players further along the food chain and reap the rewards of their efforts in attractive dollar-based returns for their investors.

Langa Madonko,
Investment Principal, Investor Relations & Capital Raising
Summit Africa

Private equity in Africa has been one of the most topical issues within the private investment sector, ranging from the astonishing returns some fund managers have achieved to some memorable errors by vaunted managers to purely stories on how PE is going to be catalytic in the way Africa's narrative unfolds.

One thing it has definitely not been is stagnant. Over time the asset class has continued to evolve and adapt to the various realities on the continent linked to infrastructure, access to information, institutional integrity, culture and societal realities, amongst others. And this evolution has not stopped, it is likely to continue for the foreseeable future as the continent continues to look to achieve growth and become an integral part of the global economy as more than just a supplier of raw materials. In recent times, some of the Innovations that we have seen include:

1. Application of Tech in the Full Investment Process: Overtime more fund managers have begun to adopt digital technology and its power into the investment process to the benefit of their private equity strategies. An example of this is the way in which transactions are originated using social media platforms to interact with the market or to conduct the due diligence process where it can be used for, amongst other things, the determination of market perception and vetting the reputation of principals of a transaction. It has also been applied to the process of conducting the deal with more information being supplied through virtual data rooms than by paper, as would have been the situation in the past. There have also been innovations in how portfolio monitoring and management is done, with more of this being tech- based and the development of Apps, software and other tools that allow for more and access to a company's data in real-time.

Also, more managers are encouraging portfolio companies to start using more tech to enhance efficiencies in their processes and in the operations and engagements with clientele. Invariably, the impact of such interventions have also come with greater ability to create value in the portfolio companies, but also with an increased need for enabling infrastructure for these to be applied and has, therefore, also create a new investment thesis that is:

2. A focus on Innovation as a sub sector: An increasing number of fund managers are realising the power technology has put at the core or as a part of their investment thesis tech, which is a significant enabler of their investees and portfolio management arsenal. We are seeing an increased investment in Tech Infrastructure investment from Fibre Optic Cables, to Cellphone Towers and the fundamental Infrastructure to investment in Software development and payment solutions, amongst others, with an emphasis on answering

uniquely African challenges. In some instances, private equity is investing in the innovation of existing technology to deliver essential solutions in Africa such as using drones to deliver medication or adapting cellphone technology to address issues of herd management and tracking. While private equity may not always create these solutions, the direct investment has given them the capacity to scale and also enhance the capabilities to grow across regions and into the continent.

3. Adoption of Environmental, Social and Governance (ESG): Having become a $502bn Industry globally, impact investing and the application of ESG has become a big part of the investment landscape and an appropriate one looking at the challenges that exist in Africa. There has been a push to anchor much of the investment on delivering social returns alongside financial returns. More and more funds are focusing on delivering Education, Healthcare, Food security to address real needs in Africa. This coupled with the use of technology to enable delivery such as the establishment of satellite classes for education, establishment of mobile clinics and use of mobile technology to create insurance and payment solutions.

4. A Collaborative Approach to Deal Execution: More fund managers are collaborating amongst themselves or with strategic operators to leverage their skills to deliver products that are more suited to the environment in which they operate. Of late, we have seen the launch of funds that are in collaboration with larger PE firms to establish a new VC fund to streamline investment into new enterprises whilst harnessing the fundraising capacity of the large managers and the VC skill of the selected operator. Similar collaborations exist in the Food Security space, Financial Services, Water Security and more. Some involve the partnering of large existing corporates with established PE managers to develop sector-specific funds aligned to the skill set of the corporate.

5. New Ways of Raising Capital: Managers are also changing the way in which they raise money and are increasingly utilising technology to make themselves visible to funders as well as share information and capture the details of their investors. This has also meant a more automated process on reporting as this helps to address the availability of data on Africa. And the automation has also helped to reduce the error of data, while enabling investors to have more detail on fund managers.

Tanya van Lill,
CEO
SAVCA

The Private Equity industry has a reputation for being agile and adaptable. Whether in growing or contracting markets, private equity fund managers can adapt their business model based on market conditions and investor needs.

Some of the innovative solutions we have seen as the African model for PE evolves include:

- The establishment of a growing number of specialised (niche) funds that focus on a particular market segment/need such as agriculture, healthcare, education, infrastructure, financial services;

- Alternative fund structures to the traditional trust or partnership, with changes to the type of structure and the duration of the structure. Some of the structures gaining momentum on the continent are in the form of capital vehicles or funds investing on a deal-by-deal basis. These innovations appeal to a broader investor base and some of the structures are adapted based on the sector requirements. For instance, infrastructure funds require a longer investment period;

- Continuously measuring impact. Financial returns and doing good/making an impact are no longer mutually exclusive. This has been a trend in more mature PE markets. However, as Development Finance Institutions (DFIs) have been an anchor investor in the PE industry on the continent for many years, African PE funds have tended to invest with an investment lens. It is now a matter of continuously reporting on the impact.

THE COOKIE-CUTTER CONNUNDRUM:

Deploying Dry Powder in Sub-Saharan Africa

By: James Rae,
Legal Expert and Thought Leader

According to Preqin, private capital dry powder has reached $2trn and is climbing. This means that a large amount of capital is committed by limited partners who are then called on, once an investment opportunity is identified, to provide capital for the purchasing of equity (sometimes mixed with debt). The trouble is that capital commitments continue to grow and are not being called on in what appears to be a sellers' market.

The influx of commitments comes as no surprise since, in the USA, private equity has seen return as high as 8.6% on average in the past 10 years, exceeding public investment returns by a full 2%. Further, private equity returns almost doubled real estate returns. European private equity has seen similar success.

It is hard to see this sortie of willing investors and healthy returns in the private funds market as a problem and yet it is.

THE PROBLEM

The private equity model works. That is precisely the problem; it is a model designed before a potential business has been identified. Managers tend to follow an only-if-the-shoe-fits-approach. Managers/advisors already field plenty of risks in making singular investments and tend to stick to their specialised industries and approaches because, well, rather the devil you know. Again, this is not surprising, considering that one botched portfolio company could ruin the average IRR on an entire portfolio. However, as the private funds market becomes increasingly more competitive and institutional investors increasingly put skin in the game (bloating deployable capital), deal origination needs an overhaul.

The increasing flow of capital commitments is only comparable to the drying up of viable deals. The issue is that with the current formula that private equity houses employ, businesses need to be nurtured and stimulated in a strong SME environment and innovative culture before they are ready for the taking in the private equity market. Typically, such businesses have already had various types of financing. Such financing solutions include angel/family financing; venture capital and debt-financing. Also, floating in-between venture capital and private equity are a variety of impact investors, looking to make a sustainable impact. In South Africa, these are often in the form of section 12J funds, although these may soon be phased out due to their lack of impact.

This process is something of a 'pipeline' and it does not grow businesses fast enough for the current market demand. In some ways, technology investments in medtech, energy, automation, fintech, agritech and other industries have helped provide relief to the pipeline. However, other businesses which are slower to build, such as logistics

> *"One solution is that dry powder could be redirected to bolster financing which still has the same look and feel as private equity*
>
> - James Rae

and retail businesses, need more time in the market as they climb over barrier after barrier to entry.

RENT SEEKING?

Before continuing, let us step to the side briefly and discuss the secondary private equity market. In the developed world, many private equity firms now specialise solely in a secondary market. One of the reasons for the secondary market is for firms to take advantage of exit pressures on primary market investors.

Although an advisor/manager might see the benefit of retaining equity in a portfolio company, they may be reaching the date by which they promised returns (in terms of strict portfolio requirements), basically having to cash out before the company hits true 'ripeness' for exit. In such a scenario, another private equity house uses the opportunity to buy a nicely packaged, tried and tested company to add their own portfolio. Although such a market makes sense, it also distorts market activity. Overall, overpricing the market and making a final exist more and more difficult.

One could argue that a strong secondary market makes primary investors bolder in their pursuit of investments, providing them with the comfort of an almost certain exit and allowing them to take timing risks that they would not normally take. However, it cannot be denied that more needs to be done earlier in the pipeline to improve deal origination and that the secondary market is no solution to increased deal flow.

SPOTTING THE GAPS IN THE MARKET

It would be difficult to improve the pipeline in developed markets; the various pipelines are already well-supported and competitive. Soon, investors will need to turn more wholly to emerging markets. And, as it stands, there is plenty of room for stimulated growth in sub-Saharan Africa, but not in the traditional private equity mould. Managers need to be more creative with their acquisition strategy.

In stark contrast to the developed markets, the pipeline suffers from funding gaps in sub-Saharan markets. There is no doubt that sub-Saharan economies possess massive growth potential (Ghana, Rwanda and Ethiopia all leading by example at around 8% growth). Fintech (especially mobile money) and agritech are particularly good examples of growth opportunities, as African economics use technology to bridge infrastructure gaps. It is not all about tech, however, and other industries which present good opportunities are simple, playbook industries, such as manufacturing and FMCG, as a young African population starts to mature into income-earning consumers.

However, a lot of these opportunities will not materialise unless businesses enter the pipeline. Only once the business has been nursed into a budding midsize company through catalyst financiers, may it be ripe for the taking in the traditional private equity market. And it is a folly to sit at the end of this imperfect pipeline with bulging pockets, butting heads with other similarly bloated PE firms, hoping and praying for a perfect portfolio company.

SOME SPIT-BALLING

One solution is that dry powder could be redirected to bolster financing which still has the same look and feel as private equity. A particular low risk manner of deploying capital is to provide it to budding but 'unripe' firms on a low interest loan basis whilst inserting preferential equity clauses into the loan agreements. The idea is not to morph private equity firms into debt-financing vehicles but rather to put placeholders on equity. This could even be done in conjunction with a firm that does specialise in debt.

There is certainly a synergy for both hypothetical parties in providing calculated debt and the eventual purchasing of equity by an expert management team. Resulting documentation could take the form of a hybrid mixture of SAFE (Simple Agreement for Future Equity) and mezzanine financing agreement. Such agreements would generally be providing more patient capital but could be crafted in a manner which allows investors to withdraw their money in the traditional timeframe. If the contributions are structured correctly, IRR would not be damaged but divorced from the debt-financing arrangements. In such a circumstance, equity is only purchased at specified milestones. Setting up a fund with this flexible structure may require a carefully worded prospectus and different terms for different investor classes, depending on the jurisdiction of the investors and the fund.

Should a fund not want to structure itself differently from the traditional mould, it might consider co-operating more closely with other types of financiers along the pipeline. I envisage a tag team type structure which would allow funds to deploy money at certain places along the pipeline and depending on the initial risk of the deployment, money could be paid out in a revolving pay-out agreement triggered by equity buyouts and profit milestones. This would work well where funds use their different objectives collectively. For example, an impact investing firm is well-positioned to absorb some of the earlier risks and deploy more patient capital in the face of creating employment and improving impoverished communities. This is a certain synergy for later passing the baton to a private equity firm which is medium term and primarily profit oriented.

AFRICAN MARKETS PERFORMANCE

AFRICA EQUITY INDICES (GROSS TOTAL RETURNS USD %)

Country	Apr.	3 Month	1 Year
Botswana	2.02	-4.54	-14.97
Cote d'Ivoire	-0.45	5.14	-24.43
Egypt	4.41	12.03	-7.73
Ghana	-2.32	-7.98	-47.45
Kenya	1.00	5.48	-9.05
Malawi	2.68	0.57	24.36
Mauritius	-0.32	-3.97	-3.91
Morocco	3.36	-2.52	-14.06
Namibia	0.65	-6.69	-12.17
Nigeria	-2.70	3.37	-26.17
Rwanda	-0.21	-3.37	-9.50
South Africa	7.55	-0.03	-11.26
Tanzania	-7.28	-12.44	-27.20
Tunisia	1.30	-5.22	-20.72
Uganda	-2.25	-8.25	-11.77
Zambia	-6.83	1.67	-18.50
Zimbabwe	12.66	-15.92	36.75

Source: S&P Dow Jones Indices

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	Apr.	3 Month	1 Year
Botswana	0.73	-2.91	-4.13
Egypt	2.69	10.15	18.19
Ghana	3.58	2.47	-2.27
Kenya	1.37	4.26	15.12
Mauritius	-0.11	-1.20	4.29
Morocco	1.47	0.40	0.08
Namibia	2.29	-3.63	-2.36
Nigeria	0.44	6.77	7.24
South Africa	1.34	-5.90	-8.84
Tanzania	0.40	2.85	7.03
Uganda	1.45	4.55	11.14
Zambia	-7.50	-6.24	-25.96

Source: S&P Dow Jones Indices

AFRICA ECONOMIC INDICATORS (as of 17th May 2019)

Country	Interest Rate (%)	Inflation Rate (%)	CPI	Unempl. Rate (%)	GDP Growth Rate (%)	Debt to GDP (%)
Algeria	3.50	3.75	217.00	11.70	2.60	36.90
Botswana	5.00	2.50	101.00	18.10	4.10	22.30
Cameroon	3.50	2.30	114.00	4.60	4.60	34.00
Cape Verde	5.50	1.10	100.00	12.20	7.60	123.00
Côte d'Ivoire	4.50	0.70	104.00	2.60	7.70	24.50
Egypt	15.75	14.20	298.00	8.90	5.50	101.00
Ghana	16.00	9.50	234.00	2.40	6.80	70.50
Kenya	9.00	6.58	206.00	11.50	6.00	57.10
Malawi	13.50	9.10	116.00	5.90	3.70	54.70
Mauritius	3.50	0.50	104.00	6.40	4.10	64.90
Morocco	2.25	-0.10	120.00	10.00	2.90	63.00
Mozambique	14.25	3.27	123.00	25.04	3.10	88.20
Namibia	6.75	4.50	137.00	33.40	-1.70	45.10
Nigeria	13.50	11.37	284.00	23.10	2.40	21.30
Rwanda	5.00	0.20	122.00	15.10	9.60	40.20
South Africa	6.75	4.50	110.00	27.60	1.10	55.80
Swaziland	6.75	5.10	139.00	26.40	-0.50	9.95
Tanzania	7.00	3.20	117.00	10.30	6.80	37.40
Tunisia	7.75	6.90	124.00	15.30	1.10	69.20
Uganda	10.00	3.50	177.00	2.10	6.60	38.60
Zambia	9.75	7.70	225.00	7.79	4.10	55.60
Zimbabwe	9.47	75.86	110.00	5.16	4.00	77.60

Source: Trading economics, African Central Banks

COUNTRY FOCUS: GHANA

Inflation rose for a third consecutive month in April. The headline reading also came in slightly higher than anticipated, rising from 9.3% y-o-y in March to 9.5% y-o-y in April. Food price inflation dropped sharply, from 8.4% y-o-y in March to 7.3% y-o-y in April, a 10-month low. In contrast, non-food inflation rose by 70 bps to 10.4% y-o-y, driven by double-digit increases in the furniture & household equipment (12.8% y-o-y), transport (13.2% y-o-y), recreation & culture (14.1% y-o-y) and clothing & footwear (14.3% y-o-y) sub-indices.

Cobus de Hart of NKC African Economics said: “As expected, inflation continued on an upwards trajectory, albeit at a slightly faster pace than we anticipated. Higher global oil prices and the weak performance of the Cedi at the start of the year are exerting upward pressure on domestic prices. A key development to keep an eye on in the near future relates to utility tariffs, with the Public Utilities Regulatory Commission (PURC) due to make its announcement next month. We expect that the central bank will keep rates steady later this month given that inflation has trended higher thus far this year in addition to the fact that risks to the outlook remain tilted to the upside.”

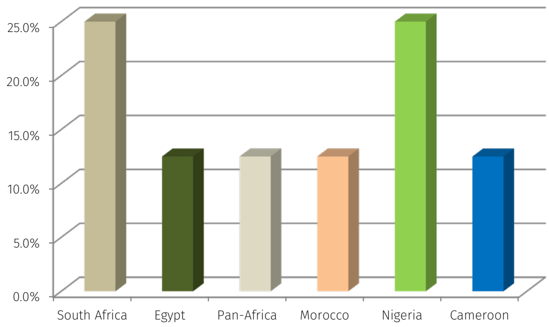
PRIVATE EQUITY FUNDS & DEALS

DEALS (as of 30th April 2019)

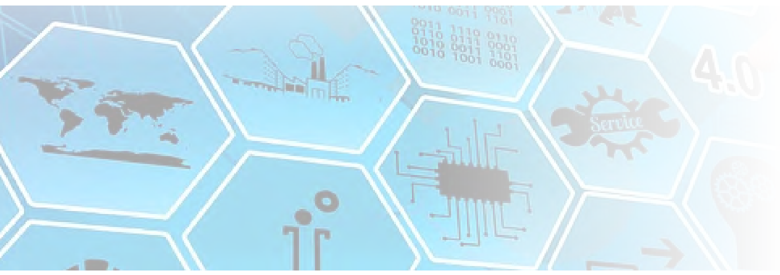
For more information on each transaction, visit Africa Global Funds's website

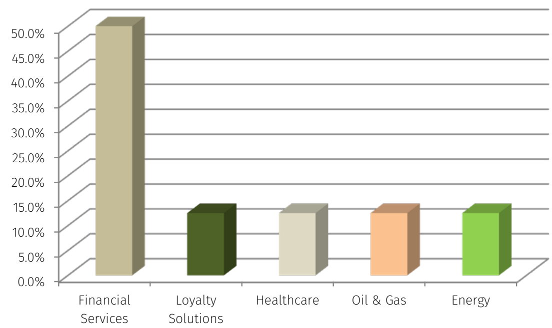
Company	Investment	Industry	Country	Deal Type	Deal Value
African Rainbow Capital	QED	Financial Services	South Africa	Buyout	Undisclosed
Algebra Ventures // Ezdehar Management	Dsquares	Loyalty Solutions	Egypt	Venture Capital	Undisclosed
Britam Financial Holdings	Tiserin Capital	Financial Services	Pan-Africa		Undisclosed
CDG Capital Private Equity	Group Oncorad	Healthcare	Morocco	Growth Capital	Undisclosed
Helios Investment Partners	Glover Gas & Power	Oil & Gas	Nigeria	Follow On	$41.5m
KGAL New Frontiers (KNF)	SunErgy AS	Energy	Cameroon	Private Placement	Undisclosed
Mergence Group	Cadiz Corporate Solutions	Financial Services	South Africa	Buyout	Undisclosed
Partech // Khosla Ventures // YC	Kudi	Financial Services	Nigeria	Series A	Undisclosed

DEALS BY COUNTRY (as of 30th April 2019)



DEALS BY INDUSTRY (as of 30th April 2019)





FUNDRAISING (as of 30th April 2019)

Company	Fund	Geography	Style	Sectors	First close ($)	Second Close ($)	Amount closed ($)	Vintage year	Target size ($)
Acumen	KawiSafi Ventures	Pan-Africa	Venture Capital	Energy	$70m		2019		
AfricInvest	FIVE	Pan-Africa	Growth Capital	Financial Services		€82.5m		€200m	
AfricInvest // Cathay Innovation	Cathay Africinvest Innovation Fund	Pan-Africa	Venture Capital	Innovation ecosystems				€150m	
Kasada Capital Management		Pan-Africa	Growth Capital	Hospitality	$500m				
PAPE Fund Managers	PAPE Fund 3	South Africa	Growth Capital	Mid-cap	R530m	R680m		R1.2bn	

EXITS (as of 30th April 2019)

Company	Divestment	Industry	Country	Buyer	Nature of exit
Adenia Partners	Socolait	Dairy	Madagascar	European strategic player and a local FMCG group	Trade
Phatisa // Mbuyu Capital	Meridian Group	Agriculture	Pan-Africa	Ma'aden	Trade
Vantage Capital	Thebe Timrite	Mining	South Africa	Timrite	Trade

Source: AGF

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM ($m)	Strategy	Focus	Domicile	Type	Start
27four Pangaea Africa FoF (as-of 2019-04-30)										
7.28	-0.79	-16.19	4.45	-5.13	9.68 (04/19)	Fund of Funds -	Africa ex-SA	Malta	Open-End	06/11
Absa Africa Equity Fund (as-of 2019-05-20)										
6.19		-8.61			36.59 (03/19)	Equity	African region	South Africa	Unit Trust	09/16
Adventis Africa Equity Fund (as-of 2019-04-30)										
6.00	1.90				25.00 (01/19)	Equity	Sub-Saharan ex.SA	Cayman Isl.	Open-End	12/14
African Domestic Bond Fund (as-of 2019-03-31)										
6.70	1.40				18.00 (03/19)	ETF - local	African region	Mauritius	Open-End	9/18
Allan Gray Africa Equity Fund (as-of 2019-04-30)										
5.60	-0.80	-13.30	14.70	-1.70	266.00 (04/19)	Equity	African region	Bermuda	Open-End	7/98
Allan Gray Africa ex-SA Bond Fund (as-of 2019-04-30)										
6.10	1.40	6.30	15.60	8.00	459.00 (04/19)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2019-04-30)										
0.50	-3.60	-16.30	10.10	-4.60	371.00 (04/19)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Alquity Africa Fund (as-of 2019-05-20)										
4.54		-13.57	-0.13	-9.40	16.59 (04/19)	Equity	African region	Luxembourg	SICAV	6/10
Altree Capital - Africa Opportunities Fund (as-of 2019-04-30)										
6.02	0.97	-15.95	2.51			Equity	African region		Open-End	6/06
Arisaig Africa Consumer Fund (as-of 2019-05-20)										
1.06		-21.17	-5.06	-11.50	179.79 (03/19)	Equity	African region	Mauritius	Open-End	1/07
Ashburton Africa Equity Opportunities Fund (I) (as-of 2019-05-20)										
4.52		-21.56	-0.59	-8.91	7.53 (05/19)	Equity	African region	Luxembourg	UCITS IV	6/13
Atria Africa Franchise Fund (as-of 2019-03-31)										
-6.06	-10.22	-24.45	3.08	-19.24	1.00 (03/19)	Equity	African region	Mauritius	Open-End	03/13
Atria Africa Trade Finance Fund (as-of 2019-03-31)										
1.39	0.47	6.20	26.33		5.74 (03/19)	High Yield	African region	Mauritius	Open-End	05/14
Bellevue Funds Lux - BB African Opportunities (as-of 2019-05-20)										
7.64	-5.14	-14.08	10.63	-16.36	79.54 (04/19)	Equity	African region	Luxembourg	SICAV	6/09
Caveo Africa Fund (as-of 2019-04-30)										
6.51		-15.14	6.57	-3.64	137.35 (04/19)	FoF – Equity	African region	Luxembourg	SICAV	11/13
Cloud Atlas AMI Big50 ex-SA ETF (as-of 2019-05-20)										
-6.95		4.56			0.94 (05/19)	ETF	Africa ex-SA	South Africa		04/2017
Commonwealth Africa Fund (as-of 2019-05-20)										
2.07	-6.79	-16.59	6.05	-4.26	2.80 (05/19)	Equity	African region	USA	Open-End	11/11
Cornhill Management - WIOF African Performance Fund (A) (as-of 2019-05-20)										
	-1.34	-23.00	-25.36		1.09 (05/18)	Mixed	African region	Luxembourg	UCITS III	11/08
Coronation Africa Frontiers Fund (as-of 2019-03-31)										
4.63	2.32	-7.93	9.40	-0.27	571.11 (03/19)	Equity	Africa ex-SA	Ireland	Unit Trust	10/08
Drakens Africa ex S.A. UCITS Fund (as-of 2019-03-31)										
5.64	-0.75				36.10 (03/19)	Equity	Africa ex-SA	Ireland	UCITS	11/16
Duet Africa Opportunities Fund (as-of 2019-04-30)										
0.53		-18.52	-3.82	-9.27		Mixed	African region	Jersey	Open-End	4/09
DWS Africa (as-of 2019-03-14)										
2.15			3.39	-1.94	7.62 (03/19)	Equity	African region	Luxembourg	SICAV	01/11
EFG-Hermes MEDA Fund (as-of 2019-05-20)										
	7.14	3.48	3.69	1.19	17.74 (12/18)	Equity	Africa & Middle	Bermuda	Open-End	07/99
Enko Africa Debt Fund (as-of 2019-04-30)										
8.64	2.54	12.87			204.40 (04/19)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2019-04-16)										
16.31		4.60	6.47	5.78	45.53 (03/19)	Equity	EMEA	Luxembourg	SICAV	06/07

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

YTD	1 Month	1 Year	3 Year	5 Year	AUM ($m)	Strategy	Focus	Domicile	Type	Start
FMG Middle East North Africa Fund (B) (as-of 2019-02-28)										
2.03			5.95	3.75	0.35 (02/19)	Fund of Funds -	MENA	Malta	SICAV	01/06
Imara Africa Fund (as-of 2019-04-30)										
7.00	1.60				53.30 (02/18)	Equity	African region	Cayman Isl.	Open-End	04/09
Imara African Opportunities Fund (as-of 2019-04-30)										
1.30	1.20				25.01 (02/18)	Equity	African region	BVI	Open-End	6/05
Imara Zimbabwe Fund (as-of 2019-04-30)										
-21.10	-4.60				9.94 (02/18)	Equity	Zimbabwe	BVI	Open-End	3/07
Investec Africa A (as-of 2019-04-30)										
0.32	0.29	1.67	-8.97	-14.66	0.27 (03/19)	Equity	African region	Guernsey	Open-End	01/07
Investec Africa Fixed Income Opportunities (as-of 2019-05-20)										
7.80		5.99	25.14	14.23	17.56 (04/19)	Fixed Income	African region	Guernsey	Open-End	7/13
IPRO Africa Total Return Fund (as-of 2019-04-30)										
5.90	1.86	3.68	6.94		5.65 (04/19)	Fixed Income	African region	Mauritius	Open-End	05/14
IPRO African Market Leaders Fund (as-of 2019-04-30)										
-1.57	-0.59	-21.12	1.84	-3.29	7.08 (04/19)	Equity	African region	Mauritius	Open-End	7/08
JPMorgan Funds - Africa Equity Fund (A) (as-of 2019-04-30)										
10.12	2.86	12.60	3.70	-4.02	180.60 (04/19)	Equity	African region	Luxembourg	SICAV	5/08
Laurium Limpopo Master Fund (as-of 2019-02-28)										
7.57	3.10	-7.80		6.00	243.60 (02/19)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Prime Africa Equity Fund (as-of 2019-03-31)										
11.83	3.53	9.80			91.24 (03/19)	Equity	Africa ex-SA	South Africa	Open-End	11/15
MCB Africa Bond Fund (as-of 2019-04-30)										
		0.46	29.20	20.60	20.01 (04/19)	Fixed Income	African region	Mauritius	Open-End	2/14
MCB Africa Equity Fund (as-of 2019-05-20)										
		-24.01			7.46 (05/19)	Equity	African region	Mauritius	Open-End	9/15
Newmarket Africa Fund (as-of 2019-01-31)										
-5.02	-5.02	-23.19	-0.46			Equity	African region	Cayman Isl.	Open-End	10/14
Optis African Frontier Fund (as-of 2019-04-30)										
9.47	2.46	-15.64	10.89		32.11 (04/19)	Equity	African region	BVI	Open-End	8/09
Prescient Africa Equity Fund (as-of 2019-04-16)										
		-20.46			0.02 (02/19)	Equity	African region	Ireland	Open-End	09/15
RMA Africa (J) (as-of 2019-05-20)										
	3.85	-12.22	0.61	-7.34	0.68 (04/19)	Equity	African region	France	FCP	8/13
Robeco Afrika (as-of 2019-04-30)										
8.85	2.67	-18.78	5.48	-2.37	36.30 (04/19)	Equity	African region	Netherlands	Open-End	6/08
Sanlam African Frontier Markets Fund (A) (as-of 2019-05-20)										
-2.20		-17.74	8.16	-23.27	86.10 (04/19)	Equity	African region	Ireland	Open-End	1/09
Silk African Lions Fund (R) (as-of 2019-04-16)										
2.43		-23.84	0.81	-6.68	19.82 (04/19)	Equity	African region	Luxembourg	SICAV	3/12
Silk Road Frontiers Fund (I) (as-of 2019-05-20)										
-1.15		-27.49	-5.75	-7.63	1.96 (05/19)	Equity	MENA & SSA	Luxembourg	SICAV	10/10
Steyn Capital Africa Fund (as-of 2019-04-30)										
-0.24	-0.81	-21.84	10.52	-0.76	182.00 (04/19)	Equity	Africa & Middle	Malta	SICAV	09/11
Sustainable Capital Africa Alpha Fund (as-of 2019-04-30)										
2.40	-2.10	-17.60	5.30	-6.20	249.60 (04/19)	Equity	Africa ex-SA	Mauritius	Open-End	1/12
T. Rowe Price Africa & Middle East Fund (as-of 2019-05-20)										
8.03	-4.92	-4.19	9.37	0.37	129.10 (05/19)	Equity	MENA & SSA	Luxembourg	SICAV	09/07
Templeton Frontier Markets Fund (as-of 2019-04-30)										
7.39		-14.49	7.33	-28.57	63.50 (04/19)	Equity	African region	Luxembourg	SICAV	10/08
Threadneedle Lux - Stanlib Africa Equity (as-of 2019-05-20)										
5.79		-12.73	0.79		7.77 (04/19)	Equity	African region	Luxembourg	SICAV	8/14

Source: Company Data, Morningstar

HOW INTERNATIONAL FINANCIAL CENTERS

Can Fuel African Economic Development

By Elise Donovan, CEO, BVI Finance

International Financial Centres (IFCs) have become a vital part of development finance for Africa in recent years - according to a recent Overseas Development Institute (ODI) report, IFCs galvanised additional finance to developing countries of $1.6trn between 2007 and 2014, much of which went into Africa.

But what more can be done to ensure that offshore centres such as our British Virgin Islands (BVI) can continue to help inflows of development finance into Africa and, as the World Bank states, move the discussion: "from billions...to trillions in investments of all kinds"?

HOW IFCS STIMULATE INVESTMENT INTO AFRICA

IFCs are now integral tools to raise, manage and distribute development funds into Africa. By using IFCs as an intermediary, private investors are safe in the knowledge that their investment is subject to the legal jurisdictions of established international contract law centres such as the UK and United States. This includes contracting, dispute resolution and collateral arrangements which, under UK or US legal jurisdictions, are more attractive to both private and institutional international businesses that are more used to working within those legal business frameworks. IFCs also provide a neutral location for funds to be amalgamated from multiple sources and then collectively invested. The diversification and tranching of pooled funds reduces the risk of investments to acceptable levels for international private investors.

Importantly, IFCs can also help better direct funds into areas that need the most support in Africa. Sectors such as infrastructure and financial services, which contribute significantly to GDP growth, are more likely to receive investment via an IFC business entity than directly. This may be driven in part by the fact that investment into these sectors needs to be more capital-intensive and long-term in nature.

The ODI's report into development finance found that through offshore intermediation, financial services sectors in developing nations had received an additional $0.6trn and infrastructure sectors had received some $1.0trn worth of extra investment.

IFCS AND DFIS – WORKING TOGETHER

Much of the increase in the use of IFCs for investment into Africa has been driven by Development Financial Institutions (DFIs) or development banks. They chose to use IFCs for the reasons outlined above and the results have been significant.

The China–Africa Fund for Industrial Cooperation, for example, is a Chinese state-owned fund for investing in Africa. It aims to provide up to $60bn of finance to support industrialisation in Africa. The fund has made investments in 92 projects in 36 countries, with $23bn of co-financing from private Chinese companies. These investments were facilitated through BVI structures and have been instrumental in financing manufacturing and agricultural ventures in the likes of Zambia, Malawi and Rwanda.

But the risks of a DFI not using an IFC in Africa are also well-recorded. Norway's Norfund stopped using non-OECD IFCs due to political pressure in 2009. As this prevented it from using business structures in Mauritius, the DFI made no new investments in sub-Saharan Africa in 2010 and 2011. Pipeline deals in the agricultural and small business sectors – essential to job creation and poverty alleviation – ground to a halt. Simply, IFC intermediation makes investment into Africa work for DFIs.

POLICY CHANGES TO BRING IN TRILLIONS

While IFCs have successfully helped invest billions into Africa so far, there is more that can be done to increase that investment to trillions.

The first thing that is necessary is for a multilateral approach to help protect IFCs create a global standard for financial transparency. Currently, some IFCs face rules that will force them to implement regulations while others are overlooked. Tax evasion and the movement of illicit funds is a systemic problem, so forcing regulations upon some but not others only serves to divert illicit activities to non-cooperating jurisdictions. When standards are applied globally, it creates a level playing field and lowers the risks of jurisdictional arbitrage, or a 'flight to the bottom'.

DFIs have established internal guidelines to ensure high standards of integrity and due diligence in relation to IFC-based transactions. This includes conducting due diligence of prospective clients and partners, only using IFCs that are 'compliant' or 'largely compliant' with the standards of tax transparency of the Global Forum (such as the BVI) and ensuring that the structure of any transaction is not designed for tax evasion. Policy-makers must agree a list of acceptable conditions for IFCs, ensuring that only compliant and transparent jurisdictions are charged with helping DFIs fund the future for developing nations.

Between 2007 and 2014, IFCs have helped developing nations boost GDP by $400bn and have helped raise some $100bn in additional tax revenues for nations during that period. This relationship must continue to be supported to ensure the economic growth prospects of the world's poorest and most vulnerable countries and the poverty alleviation that depends upon them.