SEPTEMBER 2026 / VOL. 12 / ISSUE 09

AFRICA GLOBAL FUNDS

CAN LOCAL CAPITAL BECOME A BIGGER SOURCE OF FUNDING FOR AFRICAN PRIVATE MARKETS?

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In this issue, Africa Global Funds examines whether Africa's growing pools of domestic institutional capital can become a bigger source of funding for private markets. With pension and life assets exceeding $1 trillion, the article explores why allocations to private equity, private debt and infrastructure remain relatively small, and how local-currency vehicles, better fund structures and closer involvement of domestic investors in fund design could help unlock more of that capital. Read on p.16-17.

In this issue, SBM Bank (Mauritius) explores how the global shift toward shorter settlement cycles is changing Africa's capital markets, outlining Nigeria's move to T+1, the growing importance of institutional-grade custody and post-trade infrastructure, and what African markets must do to keep pace as global settlement standards and technology evolve. (p.10).

In this issue, Chris Chijiutomi, Managing Director and Head of Africa at British International Investment (BII), speaks with Africa Global Funds about the funding gap, how BII is widening its investment approach and what is needed to increase capital flows to Black-owned and led businesses. (p.13).

In addition, Pazani Vaitilingon, Head of Commercial, Mauritius at IQ-EQ, explores how private credit is evolving from a source of alternative financing into a more established part of Africa's capital markets. Drawing on IQ-EQ's recent Speaker Series, he highlights the role of flexible capital in addressing funding gaps, the importance of local knowledge and robust structuring, and how Mauritius can support the asset class as it scales (p.14).

Finally, we look at how independent asset managers are positioning themselves as consolidation reshapes Africa's investment industry. As larger firms pursue scale to manage rising costs and competitive pressures, the article considers how smaller managers can compete through specialisation, differentiated strategies and local expertise, while still building the governance, infrastructure and distribution capabilities required by institutional investors. Read on p.22.

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

If you would like to get in touch with any comments or suggestions for future issues, please e-mail myself at a.lyudvig@africaglobalfunds.com

Best regards,
Anna Lyudvig
Managing Editor

Fundraising & Fund Launches

Africa GreenCo Raises $21.5 Million in Third Close

Pug Bennet
Founder and Group CFO
Africa GreenCo

Africa GreenCo has raised $21.5 million in a third close, securing additional capital from existing shareholders the Private Infrastructure Development Group (PIDG) and Impact Fund Denmark (IFDK), alongside new investor Sanlam Alternative Investments.

PIDG and IFDK have committed an additional $11.5 million to the regional energy trader and intermediary off-taker. The investment follows Sanlam Alternative Investments' entry as a shareholder, bringing the total raised in the third close to $21.5 million.

PIDG's latest investment was made through its project development arm, InfraCo, and follows previous support for Africa GreenCo through technical assistance, project development and guarantees.

Africa GreenCo operates as an intermediary off-taker for renewable energy independent power producers (IPPs), buying and trading electricity across multiple markets. The model is designed to provide payment security to power projects while reducing the reliance of individual projects on a single utility or buyer.

The company became a member of the Southern African Power Pool (SAPP) in late 2021 and holds licences in Zambia, Zimbabwe, Namibia and South Africa. It has traded more than 1.4 TWh of electricity so far this year.

"There is no stronger testament to the faith in a business than to see investment from both new and existing shareholders," said Pug Bennet, Founder and Group CFO of Africa GreenCo.

Bennet said the additional capital, alongside facilities provided by GuarantCo and the European Commission under its EFSD+ programme, would allow the company to expand its role in financing energy infrastructure across the region.

IFDK has backed Africa GreenCo since its first capital raise and in 2025 helped mobilise a €50 million guarantee facility for the company.

Thomas Hougaard, Managing Director and Co-Head of Green Energy and Infrastructure at IFDK, said the guarantee facility helped Africa GreenCo attract additional private capital, including Sanlam, and expand its activities in Southern Africa.

Sanlam's participation brings an African institutional investor into Africa GreenCo's shareholder base.

"Africa GreenCo occupies the part of the energy value chain that determines whether new power generation is ultimately delivered," said Mark Moorhouse, Executive Head of Infrastructure Finance at Sanlam Alternative Investments.

He said Africa requires creditworthy and commercially viable market infrastructure to mobilise domestic capital for its energy transition.

PIDG said the latest investment will support the next phase of Africa GreenCo's growth and its efforts to expand renewable energy trading across the region.

"By scaling its successful model to rapidly transform the region's renewable energy landscape, Africa GreenCo's work aligns well with PIDG's mandate of mobilising infrastructure finance," said Omar Jabri, PIDG Head of Business Development for Africa at InfraCo.

Together with GuarantCo's support under the European Commission-funded EFSD+ programme, the new equity investments are expected to strengthen Africa GreenCo's liquidity and risk-bearing capacity.

Africa GreenCo said this will enable it to support up to 900MW of renewable energy power purchase agreements and provide payment security intended to improve the bankability of new power projects.

FUNDRAISING

Mamor Capital Ventures Reaches R300 Million First Close for Fund I

Mamor Capital Ventures has reached a R300 million first close for its inaugural venture capital fund, allowing the South African investment firm to begin deploying capital into post-revenue technology businesses.

The black women-owned and managed fund manager is continuing to raise capital towards a target fund size of R550 million.

The Public Investment Corporation (PIC) is the fund's anchor investor, alongside commitments from the High Impact Seed Fund of Funds, managed by the SA SME Fund, the Technology Innovation Agency and the Small Enterprise Development and Finance Agency. The PIC also helped mobilise additional institutional commitments to the fund.

Mamor Capital will target scalable South African businesses using technology to increase access to digital and financial services and broaden economic participation.

The first close follows more than three years of fundraising and marks the fund manager's move into the investment phase.

"After more than three years of fundraising, reaching this first close is an important step for Mamor Capital and a strong endorsement from the institutions that have backed our strategy," said Mamokete Ramathe, Founder and Chief Executive Officer of Mamor Capital.

> **We see significant potential in South Africa's venture capital market and believe institutional investors can play a greater role in providing the long-term capital needed to support its development**
>
> Leon Smit, Acting Chief Investment Officer at the PIC

"It gives us the capital to start investing in South African businesses that are using technology to widen economic participation, while remaining focused on delivering competitive returns for our investors," she added.

The PIC said its commitment provides exposure to the growth of South Africa's venture capital market while supporting its transformation objectives.

"We see significant potential in South Africa's venture capital market and believe institutional investors can play a greater role in providing the long-term capital needed to support its development," said Leon Smit, Acting Chief Investment Officer at the PIC.

The SA SME Fund invested through its High Impact Seed Fund of Funds, which seeks to expand the pool of specialist capital available to South African technology companies.

Ketso Gordhan, CEO of the SA SME Fund, said Mamor Capital brings additional investment capacity to the market, with a focus on companies that can increase participation in the digital economy while generating commercial value.

Mamor Capital's investment mandate includes businesses addressing financial access, digital infrastructure and other barriers to economic participation. The firm will focus on companies that have progressed beyond the idea stage and can demonstrate commercial demand.

"We are looking for businesses that have moved beyond proving an idea and can show real commercial demand," said Fuzlin Levy-Hassen, Co-Founder and Chief Financial Officer of Mamor Capital.

"Our investment decisions will be grounded in the strength of the business, the quality of the management team and whether our capital and experience can help the company build sustainable scale," she added.

DEALS

Oxano Capital Invests in Ugandan Dairy Processor Mujuni Ventures

Dickson Mujuni
Founder
Mujuni Ventures

Oxano Capital has invested in Mujuni Ventures, a Ugandan dairy processing and milk aggregation company, to support the expansion of its production capacity, cold-chain infrastructure and distribution network.

Financial terms of the investment were not disclosed.

Founded in 2019 by Dickson Mujuni and headquartered in Kampala, Mujuni Ventures sources raw milk from smallholder farmers before aggregating, quality testing and processing it into dairy products.

The company produces Too GooD Yogurt, which is sold in cups, pouches and larger-format containers through small shops, supermarkets, schools and other institutions across Uganda.

Oxano said its investment was driven by Mujuni Ventures' business model, local brand and potential to generate social and economic impact through the dairy value chain. The investor pointed to the company's revenue growth, improving margins and ability to remain profitable despite operational challenges, including a regional border closure and a livestock disease outbreak.

The investment will be used to upgrade Mujuni Ventures' production line, expand its cold-chain infrastructure and increase distribution and brand-building activities across Uganda.

The expansion is also expected to allow the company to process a larger proportion of the milk it sources into higher-margin products.

Mujuni Ventures works with smallholder dairy farmers, providing access to formal markets for their milk. Its expansion is expected to support more reliable farmer incomes while creating additional employment across its production, sales and distribution operations.

Oxano said the company also contributes to wider access to dairy products for households and institutions, including schools and hospitals.

The investment forms part of Oxano Capital's strategy of backing founder-led businesses that combine commercial growth opportunities with measurable social impact.

As Mujuni Ventures scales, Oxano plans to support the business in strengthening its operations and expanding its market presence, with the aim of developing Too GooD Yogurt into a larger national dairy brand.

DEALS

CDG Invest Growth, Mediterrania Capital Partners to Invest in Morocco's SNCE

CDG Invest Growth (CIG) and Mediterrania Capital Partners (MCP) have agreed to jointly acquire a stake in Société Nouvelle des Conduites d'Eau (SNCE), a Moroccan water infrastructure and equipment company.

The transaction will also include other co-investors, while SNCE's founding Laraqui family will remain the reference shareholder and continue to support the company's management.

Financial terms and the size of the stake being acquired were not disclosed. Completion remains subject to customary conditions, including approval from Morocco's Competition Council.

Founded in 1961, SNCE operates across the water infrastructure value chain, including pipe manufacturing and installation, drinking water supply, urban sanitation, wastewater treatment, agricultural irrigation and desalination.

The group is also involved in so-called "water highway" infrastructure used to transport water between regions, as well as the management of agricultural areas under multi-year concessions.

The new investors plan to work with SNCE's management and founding shareholders to expand the business, strengthen governance and operational capabilities and support its international growth.

"For sixty-five years, our family and our teams have built SNCE into a national champion in water related equipment and projects across all areas of the water sector," said Kamal Laraqui, Chairman of SNCE.

"Together, we will accelerate the Group's transformation and pursue our development in Morocco and across Africa and the Middle East," he added.

SNCE has previously operated in Libya and Saudi Arabia and has been developing its presence in West Africa, with projects in Burkina Faso, Benin, Niger and Cameroon.

The investment comes as water security and infrastructure investment become increasingly important across Morocco and other African markets, with demand for infrastructure spanning water supply, treatment, irrigation and desalination.

"By investing in the company alongside the founding family, we are supporting a business with unique expertise across the entire value chain and considerable growth potential," said Hassan Laaziri, Managing Director of CDG Invest Growth.

Laaziri said CIG would support management in accelerating growth, strengthening governance and expanding SNCE's position in Morocco and the wider region.

MCP will focus in particular on strengthening SNCE's industrial capabilities, broadening its range of services and supporting further international expansion.

"This investment reflects MCP's conviction in the strategic importance of the water sector and our hands-on approach to building regional champions," said Hatim Ben Ahmed, Managing Partner at Mediterrania Capital Partners.

"Alongside CDG Invest Growth and the Laraqui family, we will support SNCE in strengthening its industrial capabilities, expanding its offering in water supply and treatment, irrigation, desalination and 'water highways', as well as accelerating its international expansion," he added.

EXITS

Helios Generates $460m in Liquidity As T2S Lists in Morocco

Helios Investment Partners generated approximately $460 million in realised liquidity in 2025 following multiple exits, including the listing of portfolio company T2S Group on the Casablanca Stock Exchange.

The T2S initial public offering raised MAD 1.1 billion, approximately $120 million, and valued the Moroccan medical technology company at around MAD 4.9 billion, or $520 million.

The offering was 44 times oversubscribed, attracting demand from Moroccan and international investors. Helios remains T2S' largest shareholder following the IPO, retaining a 42% stake.

T2S has more than 30 years of operating history and has developed into an integrated MedTech platform spanning medical equipment distribution, manufacturing, digital systems and technical services. The company serves healthcare providers in Morocco and other African markets.

Helios invested in T2S in 2021. Since then, four complementary businesses have been integrated into a single platform, alongside investments in governance, management, operations, technology and commercial capabilities.

The expansion has broadened T2S' activities across the healthcare value chain, including equipment distribution, technical support, maintenance and specialised medical technologies.

The company has also invested in radiopharmaceutical capacity and local engineering and technical capabilities as it expands its role in Morocco's healthcare sector.

The Casablanca listing provides T2S with access to public market capital as the company seeks to expand its operations in Morocco and other African markets. For Helios, the transaction provides a partial liquidity route while allowing the private equity firm to maintain a significant ownership position in the company.

The T2S transaction formed part of a broader period of portfolio realisations for Helios, which generated approximately $460 million in realised liquidity during 2025.

Helios said the realisations reflect its strategy of developing portfolio companies to a scale and level of institutionalisation capable of attracting additional pools of capital.

INVESTORS

BII Targets 30% of New Investments to Meet 2X Gender Criteria

Amal-Lee Amin
Managing Director and Head of Climate, Diversity and Advisory
BII

British International Investment (BII) plans for 30% of new investments in its core portfolio to qualify under the 2X Challenge as part of its 2026–31 strategy, expanding its focus on gender-lens investing across Africa and other markets.

The UK development finance institution reaffirmed the target at the 2X Global Summit in Montréal, where development and multilateral finance institutions renewed their commitment to the 2X Challenge, an initiative aimed at mobilising capital to support women's economic empowerment.

Since its launch in 2018, the 2X Challenge has mobilised more than $33 billion towards investments meeting its gender criteria. The current 2024–27 initiative aims to mobilise at least $20 billion, with an increased focus on attracting private investors.

BII has committed more than $3.5 billion to 2X-qualified investments since 2018. It has also provided more than $586 million in lending to women-led businesses.

The institution said its annual gender finance commitments increased from £24 million in 2019 to more than £585 million in 2025.

Under its new five-year strategy, BII will focus its gender investments on expanding women's financial and digital inclusion, supporting employment opportunities for women and increasing their participation in climate and low-carbon industries.

"Gender-lens investing has never been more critical for advancing inclusive economic growth," said Amal-Lee Amin, Managing Director and Head of Climate, Diversity and Advisory at BII.

"As the global environment becomes more complex and progress on gender equality slows, we must reaffirm our commitment to advancing women's economic empowerment through investment," she added.

BII also launched an updated Gender and Inclusive Finance Toolkit at the summit, designed to help fund managers, investors and businesses incorporate gender considerations throughout the investment process.

The resource includes tools for different stages of the investment lifecycle, examples from BII's portfolio and guidance for portfolio companies.

> **Gender-lens investing has never been more critical for advancing inclusive economic growth**
>
> Amal-Lee Amin, Managing Director and Head of Climate, Diversity and Advisory at BII

Among the investments highlighted by BII is the Kenhardt Solar Project in South Africa, where women accounted for 13% of the construction workforce and women-led small and medium-sized businesses secured 48% of subcontracting opportunities. The project is now operational with 540MW of solar generation capacity alongside battery storage.

BII has also invested $5 million in Aruwa Capital Fund II, managed by female-led private equity firm Aruwa Capital Management. The investment helped the fund reach $35 million towards its fundraising target.

"Our refreshed Toolkit brings together the tools, evidence and practical examples investors need to move from ambition to action," Amin said. "We also know that progress takes time, so our approach is focused on learning, working with investees and bringing more investors with us."

INVESTORS

Swedfund Invests $20 Million in Africa Go Green Fund

Swedfund has committed a $20 million loan to the Africa Go Green Fund to expand debt financing for businesses and projects focused on energy efficiency and emissions reduction across Africa.

The investment will support companies operating in areas including green buildings, clean cooking, green transport, green appliances and industrial energy efficiency.

The Africa Go Green Fund is a pan-African debt fund established by German development bank KfW and managed by Cygnum Capital. It has financed close to 30 projects across 17 African countries and is seeking to expand its lending activities.

Swedfund said its commitment will increase the fund's capacity to provide longer-term debt to businesses that can deliver climate benefits but may struggle to secure financing on suitable terms.

"Energy efficiency is one of the most practical ways to reduce emissions while lowering costs," said Gunilla Nilsson, Investment Director and Head of Energy and Climate at Swedfund.

"Through this investment, Swedfund will support companies providing solutions that people use in everyday life, from cleaner cooking to more energy efficient housing and transport," she added.

The investment comes as growing energy demand across Africa increases the need for capital to finance energy-efficient infrastructure and technologies. Companies operating in the sector can face difficulties accessing financing that matches the longer investment periods required for their projects.

Africa Go Green provides debt financing to businesses and projects designed to reduce greenhouse gas emissions, including industrial energy efficiency, green buildings, clean transportation and appliances.

Swedfund said its participation alongside other public and private investors is also intended to help mobilise additional capital into energy-efficiency investments across the continent.

Cygnum Capital, which manages the fund, is an investment bank and asset manager with operations across Africa, Europe and the Middle East.

THE CLOCK BENEATH THE TRADE:

SETTLEMENT, CUSTODY AND AFRICA'S DEFINING MOMENT IN GLOBAL CAPITAL MARKETS

Mr Dharmeshsingh Mohadewo, Officer-In-Charge of SBM (NBFC) Holdings Ltd
Mrs Lutchmee Teeluckdharry-Chuttoo, Senior International Settlement Officer at SBM Capital Markets Ltd

Every second a trade goes unsettled, risk accumulates. Multiply that by millions of daily transactions across dozens of markets, and the invisible clock beneath capital markets becomes the defining structural challenge of our era. The world's leading exchanges, regulators and central banks are racing to compress that clock to a single day or less. Some are already there; the rest are on notice.

Africa heard the alarm. On 1 June 2026, the Nigerian Exchange became the first on the continent to complete the shift to T+1 settlement, joining the United States, Canada, India and Pakistan at the frontier of post-trade efficiency. Delivered in six months from T+3, it was a declaration: Africa can move at global pace when resolve, regulation and partnerships align. The question now is who follows, and how quickly.

A COUNTDOWN ALREADY UNDERWAY

Settlement, the post-trade exchange of securities and cash, has traditionally run on T+2 or T+3 cycles. That era is closing on a firm regulatory schedule. The EU, the UK and Switzerland have set 11 October 2027 as a synchronized T+1 go-live, backed by ESMA's CSDR amendments, the UK's Accelerated Settlement Taskforce, and Switzerland's swissSPTC recommendations. Deloitte Luxembourg estimates one in five post-trade activities will need redesign before the transition. For African custodians and Asset Managers, this is a development cycle already underway, not a distant deadline.

WHY CUSTODY ARCHITECTURE MATTERS MORE THAN EVER

As settlement cycles compress, custody infrastructure moves from background concern to front-line risk factor. From Lehman Brothers' 2008 collapse to the 2022 FTX implosion, the lesson holds: when client assets are not ring-fenced, investors bear the consequences. The tri-party model that became the post-2008 standard, where assets are held with a third-party custodian and financing is provided through a prime broker, is structurally distinct from omnibus arrangements used on online trading platforms. Euroclear, processing over EUR 1 quadrillion annually, and J.P Morgan, with over USD 38 trillion under custody, represent this standard at its most robust. Tolerance for less disappears in a shorter-cycle world.

TECHNOLOGY MOVES AND AFRICA ANSWERS

Settlement infrastructure is being rebuilt on three fronts. The US SEC's December 2025 No-Action Letter cleared DTCC to pilot blockchain tokenization of custodied securities, targeting production in H2 2026. The ECB's "Pontes" bridge will let DLT-settled transactions clear in central bank money by Q3 2026, with DLT-issued assets already eligible as Eurosystem collateral. Nasdaq, approved in April 2026, is preparing a 23-hour trading day: its night session, 9.00 p.m. to 4.00 a.m. ET, falls within African business hours, from Lagos to Nairobi to Port Louis, opening real-time US equity access to African investors for the first time.

The continent is responding. Nigeria's milestone crowns a reform wave: the BRVM's eight nations moved to T+2 in December 2025, and Mauritius has committed to T+2 within 2027, ahead of the EU's go-live. Yet, the JSE remains on T+3, and Kenya, Ghana, Tanzania and Ethiopia have no confirmed timelines, a gap that allocators interpret as a risk premium, just as Africa should be drawing capital in.

BUILDING THE BRIDGE: SBM CAPITAL MARKETS LTD

This is the gap SBM Capital Markets Ltd (SBMCM) is built to close. Licensed by the Financial Services Commission of Mauritius, SBMCM runs a prime brokerage model combining global execution with institutional-grade custody, the pillars investors need in a compressed settlement environment. Clients access global liquidity through tier-one banking partners, while custody relationships with Euroclear and global investment banks keep assets ring-fenced and bankruptcy-remote, positioning investors to navigate multi-market complexity from Mauritius, Africa's cross-border financial gateway. This institutional strength was recognised at the Euromoney Awards for Excellence 2026, where SBM Capital Markets Ltd was named "Mauritius' Best for Securities Services." The award underscores SBMCM's growing role as a trusted partner for sophisticated investors seeking robust, globally connected securities infrastructure.

THE WINDOW IS COMPRESSING

Nigeria has proven the continent can execute at global pace. The race to zero settlement latency is live, on schedules no regulator will defer. For every market, intermediary and investor yet to act, the window is compressing at the same speed as the settlement cycles.

BII DEEPENS COMMITMENT TO BLACK-OWNED AND LED BUSINESSES IN AFRICA

Chris Chijiutomi, Managing Director and Head of Africa at British International Investment (BII), speaks with Africa Global Funds about the funding gap, how BII is deepening its investment approach and what is needed to increase capital flows to Black-owned and led businesses

AFRICA GLOBAL FUNDS (AGF): WHY DID BII LAUNCH THE BLACK OWNERSHIP AND LEADERSHIP FOR DEVELOPMENT INITIATIVE?

CHRIS CHIJIUTOMI (CC): We launched the Black Ownership and Leadership for Development (BOLD) initiative in 2022 because we saw an opportunity to better understand how capital is reaching Black-owned and led businesses and what more could be done to help them grow. What is particularly powerful is that BOLD was shaped by colleagues across BII who saw the need to build a more inclusive investment ecosystem.

While Black-owned and led businesses, most of which are SMEs, make up much of sub-Saharan Africa's private sector, limited visibility into capital flows and where gaps persist, means many high-potential businesses are often overlooked despite their contribution to growth, jobs and development.

Through BOLD, we are building the evidence and market understanding needed to attract more investment into Black-owned and led businesses and unlock the opportunity they represent.

AGF: WHAT DOES BII'S LATEST RESEARCH REVEAL ABOUT THE BARRIERS FACING THESE BUSINESSES WHEN SEEKING CAPITAL?

CC: The research in our BOLD Market Mapping Report shows that many Black-owned and led businesses continue to face barriers accessing growth-stage finance, investor networks and support ecosystems. Across five African markets, the research highlights a significant funding gap, but also a substantial untapped investment opportunity.

It also shows that barriers vary by country, sector and company size, meaning broad assumptions can cause investors to miss attractive opportunities. By providing better data and market evidence, we hope to help investors identify investable businesses more effectively and direct capital where it can have the greatest impact.

AGF: HOW IS BII CHANGING THE WAY IT INVESTS TO ADDRESS THIS CHALLENGE AND INCREASE CAPITAL FLOWS TO BOLD BUSINESSES?

CC: The first step is measurement. Through the BOLD Framework, we've developed a practical way to identify Black-owned and led businesses across our portfolio and pipeline, helping us understand where capital is flowing and where opportunities may be overlooked. This enables us to take a more intentional approach to sourcing and supporting high-potential businesses.

We also continue to increase our presence in key markets to better understand local opportunities and how our financing tools can support BOLD businesses.

But this is not about lowering our investment standards. The businesses we support must meet the same rigorous investment criteria as any other investment. BOLD simply helps us widen the lens, uncover more opportunities and unlock investment where we can have the greatest impact.

Beyond our own portfolio, we are sharing the research findings with fund managers, investors, DFIs and ecosystem partners to strengthen sourcing, data and investment practices, to increase capital flows to underserved businesses.

AGF: WHAT NEEDS TO HAPPEN ACROSS THE WIDER INVESTMENT SYSTEM TO ACHIEVE LASTING SYSTEMS CHANGE?

CC: No single institution can solve this challenge alone. The scale of the financing gap means investors, fund managers, DFIs, policymakers and ecosystem partners all have a role to play in improving the flow of capital.

The research behind the market mapping report, commissioned with support from Swedfund, shows how collaboration between DFIs can help build a better understanding of the investment gaps facing underserved groups and inform more targeted action, anchored in the local context.

Achieving lasting change will require better data and greater transparency, alongside practical changes in how investment opportunities are sourced, assessed and supported.

AGF: WHAT DOES SUCCESS LOOK LIKE FOR THE BOLD INITIATIVE?

CC: Success is not simply increasing the number of BOLD businesses within BII's portfolio. We want BOLD to contribute to a shared understanding of the investment opportunity and help more investors identify and back Black-owned and led businesses. Success would mean seeing more of these businesses access institutional capital, scale successfully and attract a broader range of investors, while strengthening the evidence that investing in Black ownership and leadership can deliver both commercial returns and development impact.

In doing so, BOLD can also contribute to achieving Sustainable Development Goal 10 (Reduced Inequalities) by helping to ensure that access to capital and economic opportunity is shared more equitably across markets and communities.

PRIVATE CREDIT IN AFRICA: FROM FUNDING GAP TO GROWTH ENGINE

By Pazani Vaitilingon, Head of Commercial, Mauritius at IQ-EQ

Africa's growth ambitions require patient, flexible capital that reflects local market realities, and private credit is increasingly emerging as part of that solution. This was the central theme of IQ-EQ's Speaker Series in Johannesburg in August 2026, where I served as moderator of an insightful panel discussion featuring **Michael Denenga** of Webber Wentzel, **Edmund Higenbottam** of Verdant Capital, **Christine Gibson** of Absa Mauritius and **Rehma Imrith** of IQ-EQ. The panel examined how private credit is evolving across Africa, what is needed for the asset class to scale, and how Mauritius can support that growth.

FROM ALTERNATIVE TO ESTABLISHED

While the global private credit market is already measured in trillions of dollars, Africa remains comparatively nascent. Yet its trajectory is becoming clearer: private credit is evolving from filling funding gaps to becoming a permanent feature of African capital markets.

Michael Denenga attributed this evolution to Africa's widening credit gap, increasingly regulated bank balance sheets and growing demand for flexible financing, particularly among businesses that don't fit traditional collateral-based lending models. The shift is taking place on both sides: credit managers and products are becoming more diverse, while family offices, pension funds and institutional investors are increasingly comfortable with an asset class that offers familiar yield and income characteristics.

"Private credit should not be viewed simply as a replacement for bank lending," Michael said. "Increasingly it is a complementary source of capital that can finance risks, structures and stages of growth that traditional bank lending may not readily accommodate."

COLLABORATION, NOT COMPETITION

For Christine Gibson, Africa's story differs from developed markets: the challenge is not excess credit, but a financing shortage across infrastructure, energy, SMEs and growth businesses.

"Rather than viewing the relationship as 'banks versus private credit', I see it as an increasingly integrated financing ecosystem," she said. "The ultimate winner should be the African corporate sector."

Banks add more than capital: origination networks, execution infrastructure, FX and treasury capabilities, and, critically, market intelligence.

Christine emphasised: "Africa is not a single market. Regulatory frameworks, legal systems, security perfection processes, foreign exchange regulations and insolvency regimes vary significantly across jurisdictions. Understanding these nuances is often the difference between a successful transaction and a problematic one."

STRUCTURE AND EXECUTION MATTER

That jurisdictional complexity places legal structuring at the centre of the investment process. Michael argued that cross-border structures must be genuinely "passportable": documentation and security cannot merely work under the fund's governing law; they must be effective where borrowers and assets are located.

"Legal structuring needs to connect the upstream fund architecture with the downstream reality of enforcement from the outset."

This requires careful analysis of security perfection and enforcement, insolvency, exchange controls, licensing, taxation and whether the chosen fund structure will be recognised in each investment jurisdiction.

The same principle applies operationally. Mauritius, as Rehma Imrith explained, is evolving beyond its established position as an Africa-focused private equity domicile to support direct lending, mezzanine finance, structured credit and trade finance. Its advantage is that much of the infrastructure already exists.

"We are not starting from scratch. We don't need to build a brand-new engine."

Private credit, however, requires far more than legal structuring. Administrators must continuously track repayments, interest structures, fees and covenants while supporting the wider lifecycle, from valuations to environmental, social and governance (ESG) and impact reporting.

Technology is therefore essential to manage complex loan data, multi-currency exposures, changing interest rates and covenants, while providing a reliable single source of truth for timely limited partner (LP) reporting.

Rehma noted that "in private credit, closing the deal is just day one of a continuous, relentless operational cycle." Her practical advice to managers is to bring the banking partner and fund administrator to the table from the outset, combining local banking networks, specialist administration and technology to build robust monitoring into the structure from inception.

BUILDING AN AFRICAN MODEL

Looking ahead, the panel highlighted the need to mobilise more African institutional capital as local understanding, governance and manager track records deepen. Yet perception remains a key challenge.

"Complexity is not the same as risk when it is properly understood, structured and managed," Rehma argued.

Private credit is no panacea, but with disciplined underwriting, enforceable structures, local knowledge and robust administration, its potential is significant.

Africa's story is still being written. Our opportunity is not simply to import a global model, but to build one suited to Africa's markets, currencies and growth ambitions.

If the industry can combine local expertise, discipline risk management and scalable operational infrastructure, private credit has the potential to become a powerful engine of Africa's next phase of growth.

Michael Denenga
Webber Wentzel

Edmund Higenbottam
Verdant Capital

Christine Gibson
ABSA Mauritius

Rehma Imrith
IQ-EQ

CAN LOCAL CAPITAL BECOME A BIGGER SOURCE OF FUNDING FOR AFRICAN PRIVATE MARKETS?

'Tokunboh Ishmael
Managing Director and Co-Founder of Alitheia Capital

Adebayo Araoye
Senior Specialist, Catalytic Transactions at FSD Africa

Victor Nkiiri
Senior Specialist, Capital Markets at FSD Africa

By: Anna Lyudvig

Africa's pool of domestic institutional capital continues to expand. Pension and life assets across the continent now exceed $1 trillion, according to Africa Finance Corporation's 2026 State of Africa's Infrastructure Report, while the continent's broader institutional capital pool is estimated at around $4 trillion.

The question for private markets is how much of that capital can be deployed by pension funds and other domestic institutions into private equity, private debt and other alternative assets.

Recent figures from two of Africa's largest pension markets illustrate the scale of the capital available. Nigeria's pension assets reached N31.48 trillion in July 2026, up 51% from N20.79 trillion two years earlier, according to the National Pension Commission (PenCom). Membership of the country's Contributory Pension Scheme also increased by nearly one million workers over the period to 11.32 million.

Kenya's pension assets, meanwhile, reached a record KSh3.17 trillion at the end of June 2026, increasing 25.1% from a year earlier. Yet the amount reaching private markets remains relatively small.

"The pools are enormous. African institutional investors manage an estimated US$4 trillion, yet only 2.7% is invested in infrastructure and other productive sectors, and private equity accounts for less than 1 per cent of pension assets in most of sub-Saharan Africa," says Adebayo Araoye, Senior Specialist, Catalytic Transactions at FSD Africa.

FSD Africa's own research similarly puts less than 2.7% of African pension fund assets in productive local sectors such as infrastructure. Araoye points to several reasons for the gap, including limited capacity among trustees to assess illiquid investments, regulatory oversight of private equity managers, a shortage of structures addressing issues such as currency risk and governance, and competition from high-yielding government securities.

Importantly, he says regulatory investment limits themselves are often not the main obstacle. "Most markets already allow 10–15% allocations that go largely unused," he says.

DIFFERENT MARKETS, DIFFERENT CONSTRAINTS

Victor Nkiiri, Senior Specialist, Capital Markets at FSD Africa, cautions against treating African institutional investors as a single group. "The binding constraint differs by investor type and jurisdiction," he says.

Nkiiri argues that the challenge is less about whether pension funds are permitted to invest in private markets and more about which funds qualify.

For example, Nigerian pension fund administrators face requirements around the registration of private equity and infrastructure funds, licensing of managers, auditing and the proportion of assets invested domestically.

"Most Africa-focused funds are domiciled in Mauritius, the Cayman Islands or London," Nkiiri says. "A pool above N31 trillion therefore faces a nearly empty eligible universe."

South Africa presents a different picture. Regulation 28 allows pension funds to allocate up to 15% to private equity, but Nkiiri says actual allocations remain far below that ceiling.

"There the constraint is trustee and consultant behaviour," he says.

Kenya and Ghana provide further variations. Nkiiri points to private-market investment limits that remain well above actual allocations, with pipeline depth and minimum investment sizes among the issues affecting deployment.

'Tokunboh Ishmael, Managing Director and Co-Founder of Alitheia Capital, has also argued that the structure of African private capital funds is part of the problem.

"African pension capital is local-currency, locally-regulated, and risk-averse. African private capital funds have been dollar-denominated, offshore-domiciled, and built for global LPs," Ishmael wrote in a recent LinkedIn post.

She called for fund structures designed for local-currency investors, smaller ticket sizes, pooled investment vehicles and a stronger pipeline of investment-grade opportunities.

"Capital is not the scarce input. Product is," she wrote.

DESIGNING FUNDS FOR LOCAL INVESTORS

For Nkiiri, product innovation is only part of the answer. He argues that the process through which funds are created also needs to change.

Domestic institutions are often approached when a fund is already being marketed, after its structure has been designed around international LPs.

"By then the currency, the domicile, the ticket size and the reporting standard are all fixed, and all four are wrong for a local balance sheet," he says.

Rwanda provides a recent example of a different approach.

In April, the Rwanda Social Security Board (RSSB) anchored the first close of the Rwanda SME Growth Fund with a $30 million commitment. The Enko Capital-managed vehicle is targeting $100 million and provides long-term growth capital in local currency to Rwandan small and medium-sized businesses.

Nkiiri says RSSB was involved in the structuring of the fund from the outset rather than being approached only when the vehicle was ready to raise capital.

The structure also differs from a conventional private equity fund. According to Nkiiri, it was established as permanent capital rather than a traditional ten-year closed-end vehicle, while RSSB also seeded a separate $3 million technical assistance facility.

"The question is whether African arrangers can engineer instruments backwards from what domestic investors are permitted and equipped to hold, rather than importing a structure and hoping it clears," he says.

Transparency is another consideration.

Nkiiri points to the lack of consistent methodologies for calculating and disclosing returns across managers, arguing that better data and standardised reporting would make it easier for trustees to assess private-market allocations against other investments.

"A trustee cannot defend an allocation she cannot benchmark," he says.

PENSION FUNDS ARE ALLOCATING

Despite the constraints, there are already examples of African pension capital moving into private markets.

Ghana's Ci-Gaba Fund of Funds reached a $35 million first close, exceeding its initial $30 million target, with more than two-thirds of commitments coming from Ghanaian pension funds. The Ghana-domiciled vehicle is targeting $75 million and invests through private-market funds focused on Ghana and other African markets.

Araoye describes Ci-Gaba as an indication that domestic institutional participation can increase when the investment structure fits local requirements.

"This is a replicable blueprint for other markets," he says.

Nigeria has also provided a significant example this year.

In July, Kuramo Capital reached a NGN48 billion first close for its Africa Opportunity Fund IV, securing commitments from five Nigerian pension fund administrators.

According to the African Private Capital Association (AVCA), it marked the first successful close of a local-currency fund for a pure private equity strategy, outside infrastructure funds, in Nigeria. The fund will invest primarily in high-growth Nigerian businesses, with selective investments elsewhere in Sub-Saharan Africa.

Kenya Power Pension Fund (KPPF) has also said private markets form part of its diversification strategy.

"The Fund continues to allocate capital to private markets as part of our approach to portfolio diversification, while contributing to the wider economy through enterprise growth, job creation and long-term development," KPPF said in a recent LinkedIn post.

Kenya's pension portfolios nevertheless remain heavily weighted towards more traditional assets. Government securities accounted for 46.35% of total pension assets at the end of June, according to the Retirement Benefits Authority.

Currency remains another consideration for domestic investors.

African pension funds collect contributions and pay beneficiaries predominantly in local currencies, while many Africa-focused private capital funds have historically raised dollars from international investors.

The emergence of local-currency vehicles is beginning to address that mismatch.

Alongside Kuramo's Naira-denominated private equity fund, the FCMB-TLG Private Debt Fund closed its second series at N20.69 billion in July. Rwanda's SME Growth Fund similarly provides financing in local currency.

There are also earlier examples of African pension funds participating in larger pan-African funds. Adenia Partners' $470 million Fund V, which closed in 2024, attracted South Africa's Public Investment Corporation as well as Kenyan and Ghanaian pension funds.

FROM CAPACITY TO ALLOCATION

The existence of large institutional asset pools does not mean that capital is automatically available for private-market investment. Pension funds have liquidity requirements, regulatory obligations and fiduciary responsibilities, while individual institutions determine their own asset allocations.

Nigeria now has pension funds backing a local-currency private equity vehicle. Ghanaian pension funds have anchored a domestic fund-of-funds. Rwanda's largest pension institution has helped structure and anchor a local-currency SME vehicle.

Nkiiri argues that the amount of domestic capital already participating in African private markets is also becoming more significant. African institutional investors accounted for 21% of commitments to African private capital funds in 2025, he says.

AVCA's latest investor survey also found that 87% of LP respondents expected to maintain or increase their allocations to African private capital over the following three years.

For Araoye, the shift towards domestic capital has already begun. "The trajectory is firmly upward," he says, although the question remains how quickly the models emerging in markets including Ghana, Kenya, Nigeria and South Africa can be replicated elsewhere.

The challenge is therefore becoming more specific. Africa has substantial and growing pools of long-term savings, and there are institutions willing to consider private-market assets. But the investment vehicles need to work within the regulatory, currency, governance and portfolio requirements of those institutions.

"The constraint on how much of it reaches private markets is the supply of well-designed, eligible vehicles, not the appetite of the capital," Nkiiri concluded.

AFRICAN MARKETS PERFORMANCE

AFRICA SOVEREIGN BOND INDICES (TOTAL RETURNS USD %)

Country	August	3-Month	1-Year
Botswana	2.84%	5.07%	3.21%
Egypt	2.06%	5.54%	22.33%
Ghana	3.08%	1.12%	22.59%
Kenya	1.15%	2.10%	15.05%
Mauritius	0.30%	1.53%	6.67%
Morocco	0.33%	0.40%	0.60%
Namibia 1+ Year Top 10	1.07%	2.05%	11.74%
Namibia	1.04%	2.01%	12.23%
FMDQ Nigeria	2.50%	1.42%	17.17%
South Africa	0.70%	0.78%	16.48%
South Africa 1+ Year	0.70%	0.76%	16.45%
Tanzania	1.22%	1.92%	32.21%
Tunisia	1.38%	2.97%	12.71%
Uganda	3.30%	5.93%	27.58%
Zambia	1.52%	4.25%	27.33%

AFRICA EQUITY INDICES (BMI GROSS TOTAL RETURNS USD %)

Country	August	3-Month	1-Year
Botswana	1.21%	0.51%	4.70%
Cote d'Ivoire	13.93%	21.08%	62.64%
Egypt	1.20%	5.47%	50.08%
Ghana	0.24%	7.95%	141.33%
Kenya	7.20%	26.28%	66.34%
Malawi	-1.43%	-3.93%	-16.76%
Mauritius	1.41%	7.14%	-1.95%
Morocco	5.29%	0.09%	-7.82%
Namibia	2.95%	3.68%	38.53%
Nigeria	5.97%	7.42%	113.33%
Rwanda	6.79%	7.52%	87.75%
South Africa	5.92%	1.34%	27.12%
Tanzania	6.25%	10.00%	86.07%
Tunisia	-2.61%	8.63%	62.04%
Uganda	6.11%	15.57%	43.86%
Zambia	-3.10%	1.36%	60.15%

Source: S&P Dow Jones Indices

MARKET FOCUS:

Behind Africa's Eurobond Rally, Market Access Has Improved Faster Than Debt-Servicing Capacity

By Stears

Since late 2025, Nigeria, Kenya and Angola have raised a combined $8.6 billion in oversubscribed Eurobond deals. The new borrowing pushed approaching repayments further out, while stronger demand for emerging-market debt also helped yields fall. Nigeria's 2036 bond yield dropped from 8.631% to 7.568% even as the US ten-year Treasury yield rose from 4.17% to 4.97%, which means the premium attached to Nigerian risk narrowed considerably. There is some support for that confidence. Nigeria's reserves have risen from $32 billion to $54 billion since April 2024, although its deficit is expected to approach 5% of GDP. Kenya's reserves reached $14.17 billion, but part of the increase came from new financing and the country remains at high risk of debt distress. Angola has reduced debt from 116% of GDP in 2020 to 51.24%, yet external debt service is projected to rise from $6.5 billion this year to $11 billion by 2028 against reserves of $16.2 billion. With refinancing relief already reflected in prices, the next test is whether market access lasts long enough for revenue and foreign-currency earnings to improve. Nigeria has the most room to wait; Angola has the least.

PRIVATE EQUITY FUNDS & DEALS

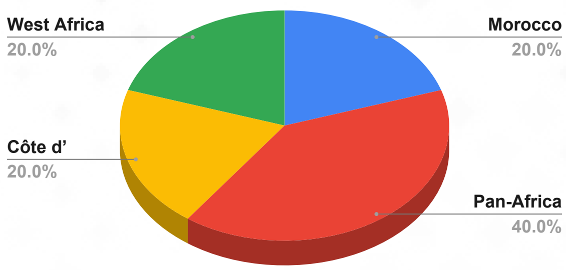
(as of the end of August 2026)

DEALS

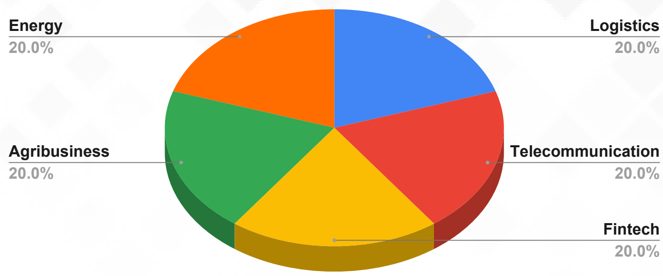
For more information on each transaction, visit Africa Global Funds's website

Company	Investment	Industry	Country	Deal Type	Deal Value
A.P. Moller Capital	Globex Investissement	Logistics	Morocco	Buyout	Undisclosed
BluePeak Private Capital	Monty Mobile International	Telecommunications	Pan-Africa	Growth Capital	$12m
Convergence Partners	Yellow	Fintech	Pan-Africa	Series C	Undisclosed
GuarantCo // M&G Investments + impact funds advised by Symbiotics Asset Management	Robust International	Agribusiness	Côte d'Ivoire	Structured debt	$20m
Rand Merchant Bank (FirstRand), Absa CIB and Standard Bank CIB	Genser Energy Investments	Energy infrastructure	West Africa	Term loan + revolving credit facilities	€456m
Taranis Operations	Corbetti Geothermal project	Renewable energy	Ethiopia	Convertible loan	Undisclosed

DEALS BY COUNTRY



DEALS BY INDUSTRY



FUNDRAISING

Company	Fund	Style	Sectors	First Close	Target Size
CardinalStone Capital Advisers	CCA Growth Fund II	Growth private equity / SME growth capital	Sector-agnostic / diversified	$76m	Undisclosed
Ninety One	Africa Credit Opportunities Fund (ACO3)	Private credit / Senior secured debt	Communications; Consumer; Financial Services; Healthcare; Industrials; Materials; Infrastructure	$260m	Undisclosed

EXITS

Company	Divestment	Industry	Geography	Buyer (s)	Nature of exit
Amethis	Globex	Logistics	Morocco	A.P. Moller Capital	Secondary buyout

Source: AGF

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM ($m)	Strategy	Focus	Domicile	Type	Start
337 Frontier Capital - Kimberlite Frontier Africa Fund (as-of 2026-08-31)										
38.49	4.92	62.1	42.94	24.93		Equity	Africa ex-SA	Cayman Isl.	Open-End	06/14
African Domestic Bond Fund (as-of 2026-08-31)										
	2.3	16.4	40.3	5.8	44.60 (08/26)	ETF - local currency FI	African region	Mauritius	Open-End	9/18
Allan Gray Africa Bond Fund (as-of 2026-08-31)										
11		20.9	19.8	9.4	509.00 (08/26)	Fixed Income	Africa ex-SA	Bermuda	Open-End	3/13
Allan Gray Africa ex-SA Equity Fund (as-of 2026-08-31)										
31.31	7.84	48	32.14	15.59	614.00 (08/26)	Equity	Africa ex-SA	Bermuda	Open-End	1/12
Commonwealth Africa Fund (as-of 2026-08-31)										
6.91	4.03	29.63	25.61	10.39	7.26 (08/26)	Equity	African region	USA	Open-End	11/11
Coronation Africa Frontiers Fund (as-of 2026-08-31)										
26.25	5.69	45.1	32.57	12.87	736.60 (08/26)	Equity	Africa ex-SA	Ireland	Unit Trust	10/8
EFG-Hermes MEDA Fund (as-of 2026-09-17)										
-1.09	3.91	-5.08	3.73	11.22		Equity	Africa & Middle East	Bermuda	Open-End	12/11
Enko Africa Debt Fund (as-of 2026-08-31)										
20.19	5.65	37.84	30.22	19.96	1220.00 (08/26)	Fixed Income	Africa ex-SA	Mauritius	Open-End	10/16
Fidelity Funds - Emerging Europe, Middle East and Africa Fund A (as-of 2026-08-31)										
16.55	0.2	27.88	23.59	0.29		Equity	EMEA	Luxembourg	SICAV	6/7
Imara African Opportunities Fund (as-of 2026-08-31)										
24.97	6.89	46.1	22.98	3.64		Equity	African region	Cayman Isl.	Open-End	6/5
Imara Zimbabwe Fund (as-of 2026-08-31)										
41.5						Equity	Zimbabwe	BVI	Open-End	03/07
Laurium Africa USD Bond Fund (as-of 2026-08-31)										
5.3	1.3	12.1	14.8	5.1	45.30 (08/26)	Fixed Income ex South Africa	African region	Ireland	UCITS	04/21

YTD (%)	1 Month	1 Year	3 Year	5 Year	AUM ($m)	Strategy	Focus	Domicile	Type	Start
Laurium Limpopo Africa Fund (as-of 2026-08-31)										
28.8	8.3	46.7	36.13	17.21	475.80 (08/26)	Equity	Africa ex-SA	Cayman Isl.	Open-End	01/14
Mazi Capital Africa Fund (as-of 2026-08-31)										
22.28	4.71	37.2	22.3	6.95		Equity	Africa ex-SA	South Africa	Open-End	01/16
MCB Africa Bond Fund (as-of 2026-08-31)										
	1.4	6.8	4.6	-23.4		Fixed Income	African region	Mauritius	Open-End	02/14
Old Mutual African Frontiers Flexible Income Fund (as-of 2026-08-31)										
7.52	-0.53	15.19	16.23		120.00 (06/26)	Fixed Income	African region	Ireland	OEIC	5/22
Old Mutual African Frontiers Fund (as-of 2026-08-31)										
22.91	4.09	37.1	33.34	14.1		Equity	Africa ex-SA	Ireland	Open-End	05/10
Robeco Afrika (as-of 2026-08-31)										
14.16	4.16	47.29	33.87	16.57	57.60 (08/26)	Equity	African region	Netherlands	Open-End	06/08
Sanlam Africa Equity Fund (as-of 2026-08-31)										
24.24	10.3	49.4	30.97	14.84		Equity	Africa ex-SA	Ireland	Open-End	7/15
Sanlam Allianz Africa Equity Fund (as-of 2026-08-31)										
33.87	4.78	51.7	24.04	9.98		Equity	Africa ex-SA	Cayman Isl.	Open-End	05/19
Steyn Capital Africa Fund (as-of 2026-08-31)										
29.69	3.03	46.5	34.17	20.67		Equity	Africa ex-SA	Malta	SICAV	09/11
ST Fund Management African Lions Fund (as-of 2026-08-31)										
45.11	6.32	68.5	46.06	26.46	96.37 (07/26)	Equity	SSA ex-SA	BVI	Open-End	10/20
Sustainable Capital Africa Alpha Fund (as-of 2026-08-31)										
75.4	13.66	95.9	44.45	23.47		Equity	Africa ex-SA	Mauritius	Open-End	02/12
TCM Africa High Dividend Equity (as-of 2026-08-31)										
30.05	4.04	40.8	27.12	10.07		Equity	Africa ex-SA	Holland	Open-End	3/8
T. Rowe Price Africa & Middle East Fund (as-of 2026-08-31)										
5.5	6.33	13.97	13.61	8.32	106.78 (08/26)	Equity	MENA & SSA	United States	Open-End	10/11

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

Source: Company Data

INDEPENDENT ASSET MANAGERS

NAVIGATE AN ERA OF CONSOLIDATION

By Anna Lyudvig

Scale has become one of the defining themes in global asset management. Rising technology and compliance costs, fee pressure and increasingly demanding institutional clients are pushing managers towards mergers, acquisitions and strategic partnerships. Africa is not immune to that trend.

South Africa, the continent's largest and most developed asset management market, has already seen increased consolidation. Corporate activity among asset managers rose from 4% of firms surveyed in 2024 to 17% in 2025, according to the DEInvest Annual Survey.

Among the most significant transactions, Ninety One completed its acquisition of Sanlam Investment Management in South Africa in February 2026, adding around R400 billion in assets under management. Vunani Fund Managers and Sentio Capital Management have also combined to create Vunani Sentio Fund Managers, with more than R60 billion under management, while Old Mutual Wealth received regulatory approval in January to take sole control of 10X Investments.

The trend is extending beyond South Africa. In June, Ninety One Namibia and Sanlam Allianz Namibia announced plans to combine their active asset management businesses, subject to regulatory and other approvals.

At the same time, some investment teams are choosing independence. In February, Grene Capital completed a management buyout from Actis, becoming an independent, Africa-focused real asset fund manager. The business continues to manage an approximately $82 million Nigerian real estate fund raised primarily from Nigerian pension funds.

The transaction puts the role of independent asset managers into focus at a time when much of the industry is getting bigger. Large managers can spread technology, regulatory and distribution costs across a much bigger asset base. They can also offer institutional investors a broad range of strategies under one roof.

Independent managers compete differently. Their advantage can lie in specialisation. A smaller manager does not necessarily need to offer equities, fixed income, multi-asset, private markets and offshore products simultaneously. It can build its business around a particular asset class, sector or investment philosophy.

That can be particularly relevant as institutional investors look beyond broad market exposure and allocate to more specialised strategies. Independence can also matter in private markets, where investment decisions often depend heavily on local networks, sector knowledge and the ability to work closely with portfolio companies.

But investment capability alone does not build a sustainable asset management business. Independent firms still need institutional-grade governance, compliance, reporting, technology and operational infrastructure. They also need distribution and enough assets under management to support those costs.

Winning institutional mandates can add another hurdle. Pension funds, insurers and other large allocators often conduct extensive due diligence not only on investment performance but also on a manager's ownership, operations, risk controls, succession planning and financial stability. For an independent firm, building that infrastructure while remaining small enough to retain the flexibility that distinguishes it can be a difficult balance.

Size can also affect how much institutional capital a manager can accept. A large mandate may create concentration issues for a smaller fund or strategy, limiting the amount an institutional investor is able to allocate even when it likes the investment proposition.

That is where the economics become more difficult. Globally, asset management is already moving towards greater concentration. PwC has identified consolidation, capabilities and expansion into adjacent businesses among the drivers of asset and wealth management M&A, as firms seek economies of scale and access to new products and clients.

Similar pressures are evident in African markets. For smaller managers, becoming larger versions of their competitors is not necessarily the answer. Their position may depend instead on offering something that a diversified manager cannot easily replicate: specialist expertise, a differentiated investment strategy, strong local knowledge or access to a particular segment of the market.

There are also options between complete independence and outright acquisition. Minority strategic shareholders, shared operating platforms and distribution partnerships can give boutiques access to capital and infrastructure while allowing investment teams to retain a degree of autonomy.

South Africa already has experience with such structures, including investment groups that take minority positions in specialist managers rather than fully absorbing them.

The tension between scale and specialisation is unlikely to disappear. Consolidation can provide economic advantages when managers face rising fixed costs and pressure on fees. At the same time, independent firms continue to offer specialist strategies, investment approaches and local expertise that can distinguish them from larger competitors.

Africa's asset management industry has room for both. Large managers bring scale, infrastructure and distribution. Independent firms can bring specialisation, new investment approaches and local expertise.

The more important test for independent African asset managers may therefore be less about matching the size of the continent's largest investment houses and more about building businesses that are sufficiently differentiated to compete alongside them.