Several factors differentiate us from other asset managers:

First, we invest at scale across a wide variety of sectors and countries. We organize our investment teams around sectors, which means that investors who focus on diverse products and strategies across the firm work together to build deep insight and relationship networks. This way, we bring the right capital solutions to compelling opportunities.

TPG also has a history of innovation and in TPG Rise we’re both a category creator and leader. Now, with $15 billion of AUM across The Rise Funds, TPG Rise Climate, and the Evercare Health Fund, TPG Rise is one of the world’s largest private markets impact investment platforms. Since we launched Rise in 2016, we’ve catalysed billions of dollars towards impact investing and led the way for other large-scale PE firms to establish impact investing funds of their own.

From the outset, we knew that the only way impact investing could attract institutional capital at scale was by treating our impact assessment as rigorously as our financial underwriting. That, for us, is another key differentiator -- our commitment to evidence-based impact investing and the development of an innovative impact assessment methodology.

Thus far, through a number of successful exits, we’ve demonstrated that meaningful social and environmental impact can indeed be achieved without sacrificing on the financial performance of our investments.

Q: What has your experience been investing in Africa? What sectors/industries does TPG pursue?

Our investment journey on the continent has been both fulfilling and deeply impactful. Last year alone, TPG invested $200 million in Africa. As the only large-scale global private equity house actively deploying capital on the continent, we remain committed to supporting Africa’s growing businesses across sectors and countries. Our strategy focuses on businesses that are tackling issues in climate
and conservation, education, food and agriculture, financial inclusion, healthcare, and technology. Our Africa portfolio includes six companies with operations across more than 20 countries: Cellulant, a leading Pan African payments company; Pearl Dairy, a leading East African dairy company which manufactures and sells nutritious dairy products and works with more than 10,000 smallholder farmers; Wilderness Safaris, Africa’s foremost luxury ecotourism and sustainable safaris operator; Evercare Group, an integrated healthcare delivery platform providing critical care to underserved patients in Kenya and Nigeria; Zipline, the world’s largest automated, on-demand delivery service that first launched its autonomous medical drone delivery in Rwanda and Ghana, and Airtel Money, a telecommunications and mobile money services provider in 14 countries, primarily in East, Central and West Africa.

Q: Where to do you see opportunity going forward?

Beyond the success we’ve had in the financial technology, food and agriculture, healthcare, and conservation sectors, we continue to see further opportunities in climate solutions, education, and broader technology. On the climate side, by some estimates, $250 billion is needed annually to help African countries decarbonize and adapt to the effects of climate change. Only a small portion of that is making its way to scalable climate solutions and we continue to look for the right opportunity to deploy capital from our inaugural $7.3 billion TPG Rise Climate fund.

The broader technology sector in Africa is one that has gained increased interest from across the world. The African tech ecosystem had its best year ever in 2021, raising over $5 billion. Data suggests that the continent is on its way to raising $7 billion in 2022. Fintech took the largest share, having received $3 billion of the funding that went to African start-ups. New areas where we expect to see growing opportunity include artificial intelligence, cleantech, edtech, and agtech.

Q: TPG is a longstanding leader in impact investing and fostering strong ESG performance. What is the role of investors in ensuring purpose and ESG are achieved?

At TPG, our priority for fostering strong Environmental, Social and Governance performance in our portfolio and in our firm-level operations is part of our DNA and grounded in both authenticity and action. ESG performance considerations are woven throughout and integrated in a variety of components of TPG’s investment due diligence processes. We use a material factor screening to determine a potential investments’ ESG-related risk, performance, and value creation potential. Through that lens we are able to make better, more informed investment decisions and also set a company’s ESG initiatives/strategy post-closing. Once we make an investment, we partner with our portfolio companies to monitor material ESG factors throughout the lifecycle of the deal, identify opportunities to enhance ESG practices, and generate sustainable value and performance. We use a variety of methods and proprietary ESG tools including, carbon footprint assessment and reduction strategies, playbooks on employee benefits and diversity, equity, and inclusion, and overall ESG performance benchmarking.

Q: TPG actively promotes diversity, equality, and inclusion? What is the importance of maintaining this core value, whether it be in your work with the external ecosystem, or within your internal teams?

Promoting diversity, equity and inclusion is a core value at TPG. We have in place a council set up to advance our DEI agenda and monitor our external ecosystem and internal teams. TPG actively engages in public issues to advance equality, such as immigration, gender, and racial discrimination.

Internally, within our portfolio company boards, we have advanced diversity across gender, race, ethnicity, and sexual orientation. Currently, more than 80% of our U.S.-based companies’ boards have both gender, racial and ethnic diversity, that also helps influence our larger ecosystem, Africa included. The firm has made board diversity part of the annual review and compensation process for senior members of the organization.

Within the Africa portfolio specifically, Airtel Money is driving gender equality through financial empowerment. Data shows that countries with high mobile money account ownership have less gender inequality. When women have greater control over their finances, they can reduce their risk of poverty, lift themselves and their children out of poverty, reduce exploitation, and increase their ability to fully engage in other productive economic activity. Airtel addresses gender equality head-on by promoting the adoption of mobile money for women. They are actively engaged in supporting female entrepreneurs in small business management and comprehensive financial management training.

Q: How has AVCA been of value to TPG?

AVCA has played a significant role as a convener in the private investment space in Africa. We benefit from the Association’s opportunities to network with other players in the sector which create opportunities for continual learning and growth. The studies that are published by the Association serve as a rich resource to reference as we explore investment opportunities across the region.