African Private Equity and
Venture Capital Association

2021 AFRICAN PRIVATE EQUITY INDUSTRY SURVEY

April 2021

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EXECUTIVE SUMMARY

This is the second edition of AVCA's Private Equity Industry Survey, which examines the plans, preferences, and expectations of 34 Limited Partners (LPs) and 43 General Partners (GPs) engaged in African private equity (PE). It follows our inaugural industry survey, published in March 2020, which was well-received by the market. The study discusses the PE landscape in Africa, analysing key market drivers and impediments affecting the industry to provide a deeper understanding of how LPs and GPs are evaluating their private equity assets in Africa.

Despite the macroeconomic instability that characterised much of 2020, the survey finds that a broad cross-section of LPs by type, size and location remain positive and display a growing appetite for private equity investment on the continent. This is evident in the steady annual increase in the proportion of LPs that plan to increase their PE allocation in Africa over the next three years – standing at 65% this year, up from 58% in last year's survey, 53% in 2018 and 54% in 2017.

The GP survey illustrates that fund managers are slightly less optimistic about African PE. Although a majority of GPs expect both their regions of interest and their PE portfolio to be unaffected by Africa's current macroeconomic climate, a third of GPs do not share this view and predict an adverse effect. In this environment, GPs are less focused on raising new funds and exiting current investments, expressing a preference towards portfolio management and making new investments as their main focus for the next three years.

West Africa and North Africa were jointly selected by the largest proportions of LPs as attractive regions for PE investment in Africa. GPs, however, favoured East Africa as an attractive region for PE investment over the next three years. Mirroring preferences exhibited in last year's industry survey, LPs chose Kenya as the most attractive country for future PE investment, a sentiment that was also shared by the largest proportion of GP respondents this year. In terms of sectors, Healthcare & Life Sciences was selected by the largest proportions of LPs and GPs alike as an attractive sector for PE investment in Africa over the next three years.

In evaluating the opportunities and challenges present in Africa's PE industry, LPs and GPs are cognisant of a number of potential obstacles. This year, LPs highlighted a perceived weak exit climate and currency risk as significant challenges for LPs investing in African PE. Additionally, the fundraising environment and limited exit opportunities were emphasised by both LPs and GPs as challenges African fund managers will have to contend with over the next three years. Nevertheless, both limited and general partners share an optimistic long-term outlook for their respective PE portfolios in Africa: 69% of LPs and 92% of GPs expect returns exceeding 2.0x over the next ten years.

Following the unprecedented changes to the global economy triggered by the Covid-19 pandemic, this edition of the industry survey catalogues LP and GP perceptions of its effects on Africa's PE industry as well as opportunities for fund managers as Africa begins its economic recovery. In both the LP and GP surveys, a majority believe the attractiveness of African PE remains unchanged following the global pandemic. Additionally, both limited and general partners agreed that African fund managers should take advantage of opportunities within defensive sectors and integrate ESG controls into their investment mandates in the wake of the Covid-19 pandemic.

SUMMARY OF KEY FINDINGS

LP SURVEY	GP SURVEY
71% of **LPs** jointly view **West Africa** and **North Africa** as attractive regions for PE investment in Africa over the next three years.	**77%** of **GPs** view **East Africa** as an attractive region for PE investment over the next three years.
Kenya, **Egypt** and **Nigeria** are viewed by the largest proportions of **LPs** as attractive countries for PE investment in Africa over the next three years.	**Kenya**, **Nigeria** and **South Africa** are viewed by the biggest proportions of **GPs** as attractive regions for PE investment in Africa over the next three years.
Healthcare & Life Sciences, Financial Services and **Technology** respectively were viewed by the largest proportions of **LPs** as attractive sectors for PE investment in the next three years.	**Healthcare & Life Sciences, Technology** and **Agribusiness** respectively were viewed by the largest proportions of **GPs** as attractive sectors for PE investment in the next three years.
58% of **LPs** believe that **local capital flows** will catalyse the PE industry in Africa.	**58%** of **GPs** believe that **international capital flows** will catalyse the PE industry in Africa.
76% of **LPs** view **limited exit opportunities** as the biggest challenge for PE fund managers in Africa over the next three years.	**67%** of **GPs** jointly view the **fundraising environment** and **limited exit opportunities** as the biggest challenges for PE fund managers in Africa over the next three years.
16% of **LPs** expect African PE returns to **exceed 3.0x** over the next ten years.	**43%** of **GPs** expect African PE returns to **exceed 3.0x** over the next ten years.
65% of **LPs** believe the **attractiveness of African PE** remains **unchanged** following the global pandemic.	**48%** of **GPs** believe the **attractiveness of African PE** remains **unchanged** following the global pandemic.

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LIMITED PARTNER SURVEY

PLANNED INVESTMENTS BY LPs INTO AFRICAN PE

LPs' planned allocation to African PE

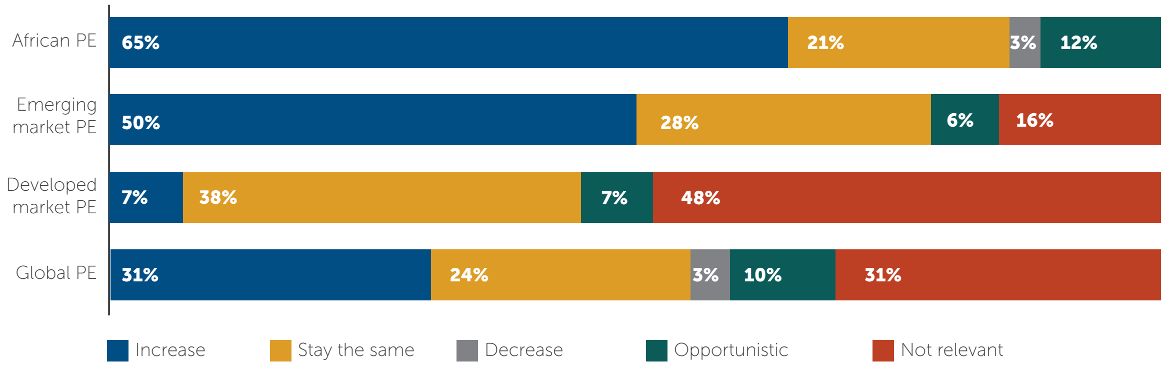
86%

of LPs plan to increase or maintain their African PE allocation over the next three years

The percentage of LPs that plan to increase their African PE allocation over the next three years increased to 65% from 58% in last year's industry survey. Of the LPs planning to increase their allocation to African PE, 95% are currently invested in PE funds on the continent, and 50% are also looking to accelerate the pace of capital deployment in African PE within the next five years.

A fifth of LPs (21%) are looking to maintain their African PE allocation, while only 3% say that they will decrease their allocation to African PE.

Figure 1: LPs' plans for their global, developed, emerging markets and African PE allocation over the next three years



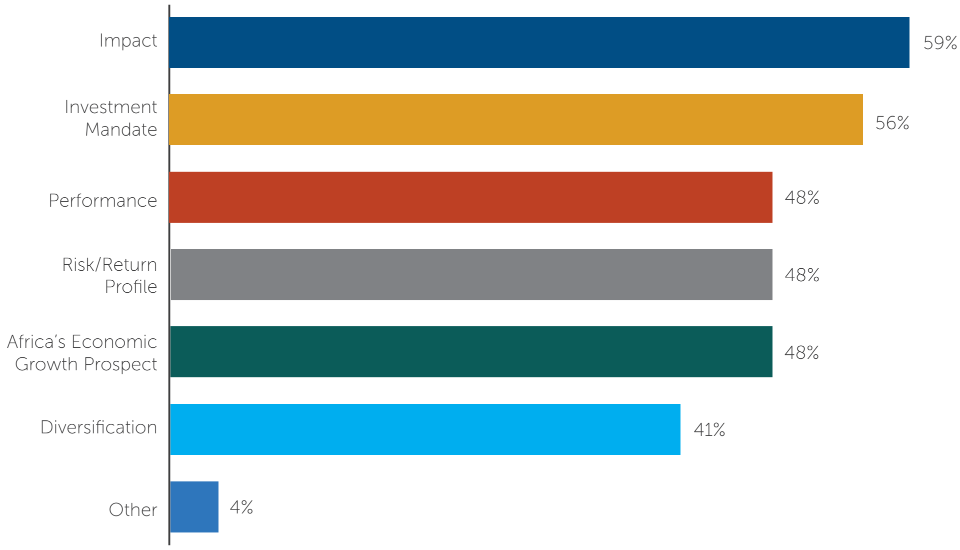
LPs identified Impact (59%) and Investment Mandate (56%) as the main factors driving their plans to increase or maintain their African PE allocation

Nearly three in every five LPs (59%) that plan to increase or maintain their exposure to African PE over the next three years are motivated to do so by impact. Another 56% cite their investment mandate as an important factor driving their investment plans. Of these, a significant proportion are also currently invested in PE funds in other emerging markets (specifically, 67% are also investing in Emerging Asia and 47% are also investing in Latin America).

At 48% each, performance, risk/return profile and Africa's economic growth prospects were the third most popular factors among LPs. Africa's risk/return profile was the most important driver selected by LPs last year, and its marginal descent in this year's LP Survey suggests that the perception of risk associated with investing in Africa is equally declining.

By location, performance is the most popular driver among African based LPs seeking to increase or maintain their African PE allocation, whilst investment mandate was the most-selected driver amongst international LPs (i.e., those with a head office located outside of Africa).

Figure 2: LPs' drivers for increasing or maintaining their African PE allocation over the next three years



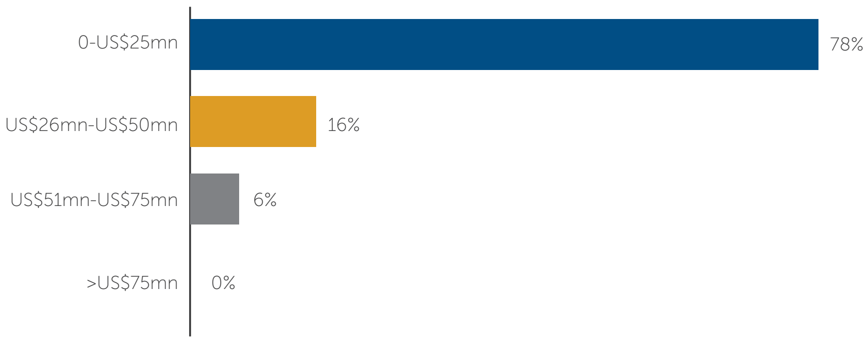
78%

of LPs have an average fund commitment size that does not exceed US$25mn when investing in African PE

Fund commitment sizes have remained relatively stable this year: three quarters (78%) of LPs have an average fund commitment size that does not exceed US$25mn when investing in African PE, compared to 73% last year. A minority of LPs (16%) have a larger average fund commitment, investing between US$26mn and US$50mn in Africa's PE.

Only 6% of surveyed LPs have a fund commitment size that exceeds US$50mn when investing in PE in Africa.

Figure 3: LPs' average fund commitment size when investing in Africa



ATTRACTIVENESS OF AFRICAN PE

Attractiveness of Africa relative to other markets

68%

of LPs view Africa as more attractive than other emerging markets over the next ten years

African PE relative to emerging and frontier markets

Over a five-year and a ten-year time horizon, 47% and 68% of LPs view Africa as a more attractive market for PE investment compared to other emerging and frontier markets, respectively.

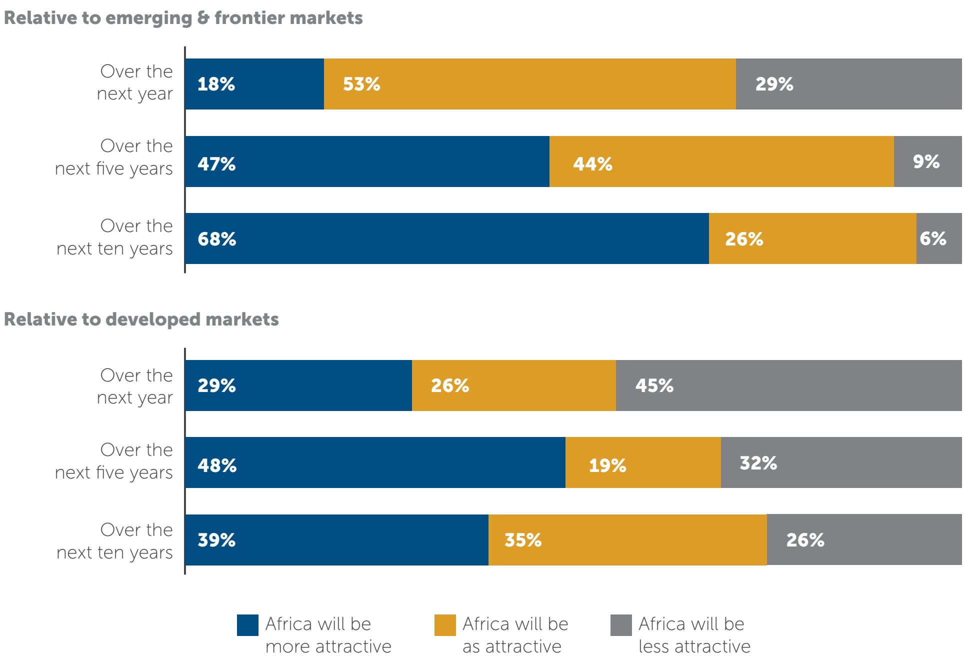
Only a third of LPs (29%) view Africa as less attractive than other emerging and frontier markets over the next year, up from 19% in last year's survey. This upward revision is likely reflective of the macroeconomic instability that characterised much of 2020 and affected the PE industry in Africa and globally. However, this figure drops to 9% and 6% when it comes to a five-year and a ten-year time horizon, respectively. Therefore, although the attractiveness of Africa's PE industry has taken a minor hit in the short-term due to the disruption caused by the Covid-19 pandemic, long-term forecasts are positive and brighter than those predicted in last year's industry survey.

By organisation type, 35% of the DFIs that participated in the survey believe in the long-term attractiveness of Africa. Additionally, 75% of LPs that predict the attractiveness of PE in Africa will eclipse PE in other emerging markets within the next five years are also planning to increase their allocation to African PE in the next three years, with a desire for Diversification (50%) and Impact (also 50%) driving their investment plans.

African PE relative to developed markets

More than half of LPs (67%) view African PE as more attractive or as equally attractive as PE investment in developed markets over a five-year time horizon, and this figure rises to 74% over a ten-year time frame. Slightly less than half of LPs (45%) think that Africa will be less attractive than developed markets over the next year. This is still a more positive outlook compared to that recorded in last year's industry survey (where 54% of LPs considered Africa to be comparatively less attractive) and is more encouraging considering the Covid-induced shock to the global economy in 2020.

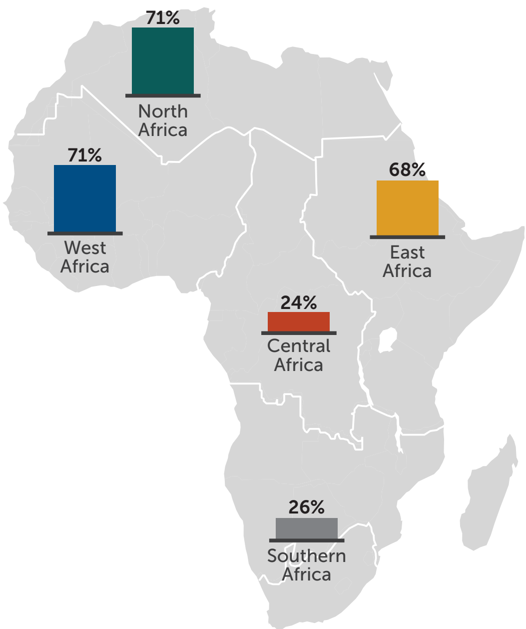
Figure 4: Attractiveness of Africa relative to emerging and frontier markets



Attractiveness of African regions for PE investment

71% of LPs jointly selected West Africa and North Africa as attractive regions for PE investment in Africa over the next three years

Figure 5: Attractiveness of African regions for PE investment over the next three years



West Africa and North Africa (71%) were jointly selected as attractive regions for PE investment over the next three years, followed by East Africa (68%).

By location, 100% of African LPs viewed East Africa as an attractive region for PE investment (followed by West Africa at 82%), whereas the largest proportion of non-African LPs (70%) identified North Africa as an attractive region for PE investment.

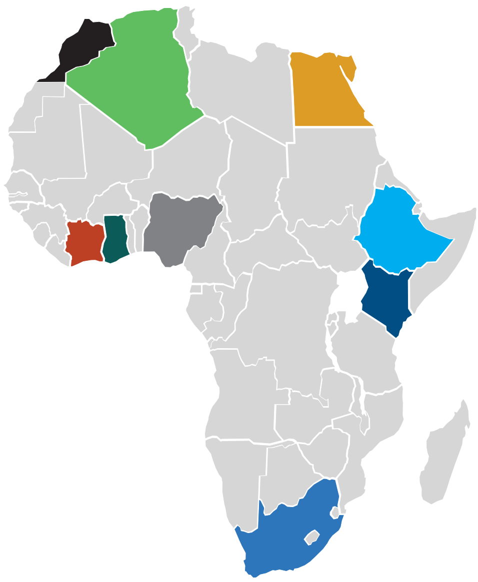
In a recurring trend, Central Africa's attractiveness continues to rise, climbing to 24% from 15% in last year's industry survey and 7% in AVCA's 2018 LP survey. In contrast, however, Southern Africa's attractiveness has unfortunately continued to decline, reaching a three-year low of 26% from 44% in 2018 and 33% in 2019[1].

Attractiveness of African countries for PE investment

Kenya, Egypt, Nigeria and **Morocco** are viewed by the largest proportions of LPs as attractive countries for PE investment in Africa over the next three years

Figure 6: The ten most attractive countries for PE investment in Africa over the next three years

1. Kenya
2. Egypt
3. Nigeria
4. Morocco
5. Ivory Coast
6. Ghana
7. South Africa
8. Ethiopia
9. Tunisia
10. Uganda



In line with last year's industry survey results, Kenya was selected by the largest share of LPs (47%) as an attractive country for PE investment in Africa over the next three years. At 44%, Egypt has overtaken Nigeria, Africa's largest economy, to be the second most popular option chosen by LPs in this year's survey, with Nigeria slipping from its longstanding first place position (in AVCA's 2016-2018 surveys) to third place at 41%.

In contrast to Egypt's ascent, Ethiopia (which was tied with Egypt as the third most popular option amongst LPs in 2019) witnessed a sharp decline in this year's survey, dropping five places. Similarly, in 7th place, South Africa's attractiveness has also been declining in recent years, dropping from 4th place in our 2018 survey.

[1] Please note that the first edition of AVCA's Private Equity Industry Survey, published in February 2020, featured responses from LPs and GPs that were collected in 2019, available at: https://www.avca-africa.org/research-publications/data-reports/african-private-equity-industry-survey/

Attractiveness of sectors for PE investment

> Healthcare knocked out Financial Services to claim the title of most popular sector for PE investment in Africa over the next three years

Healthcare & Life Sciences rose four places in this year's survey and was identified by the most LPs (64%) as an attractive sector for PE investment in Africa over the next three years. LPs that chose Healthcare exhibited varied regional preferences, equally favouring Egypt, Ivory Coast, Kenya and Morocco (each at 43%) as attractive countries for PE investment in Africa in the next three years.

Financial Services (58%) and Technology (48%), two of the fastest-growing sectors in Africa's PE industry, were selected by the second and third largest shares of LPs, respectively. LPs that selected these two sectors also viewed West Africa (76%) and North Africa (68%) as attractive regions for PE investment in short term future.

Sectors associated with the rise of the African consumer – Consumer Goods (30%), Agribusiness (27%) and Education (21%) have shown marginal decreases in popularity but are still viewed by LPs as top sectors for PE investment.

Figure 7: Most attractive sectors for PE investment in Africa over the next three years

1.	Healthcare & Life Sciences
2.	Financial Services
3.	Technology
4.	Consumer Goods
5.	Agribusiness; Infrastructure
6.	Education; Telecommunications
7.	Business Services
8.	Retail
9.	Industrial Goods; Mining and Natural Resources; Real Estate

LPs' DRIVERS AND PREFERENCES WHEN INVESTING IN AFRICAN PE

LPs' expectations about exit routes in African PE

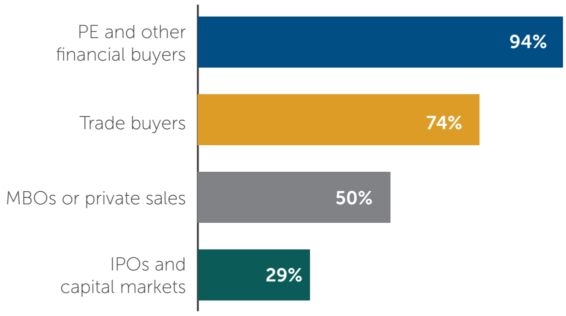
94%

of LPs expect exits to PE and other financial buyers to increase over the next three to five years

A significant majority of LPs (94%) expect exits to PE and other financial buyers to increase in Africa over the next three to five years, followed by exits to trade buyers at 74%. The share of LPs that expect MBOs or private sales to grow (50%) increased significantly from 30% in last year's survey.

IPOs and capital markets continue to be the least-expected exit route chosen by LPs in the short-medium term future, declining from 52% in last year's survey to rest at 29%.

Figure 8: LPs' expectations about African PE exit routes that will increase over the next three to five years



LPs' preferred strategies when investing in African PE

84%

of LPs consider growth capital as a strategy of interest when investing in African PE over the next three years

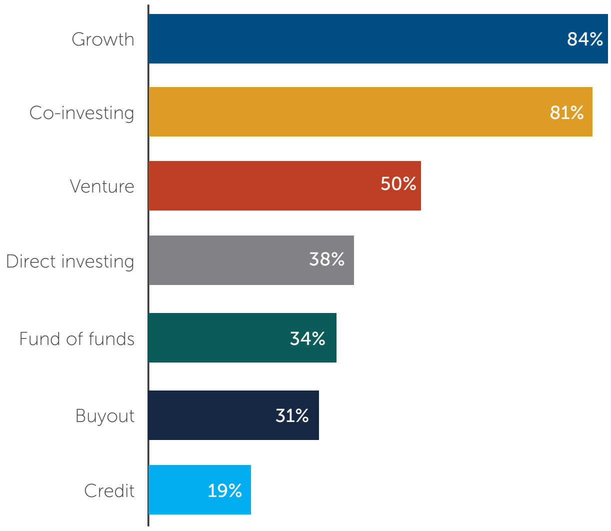
Most LPs (84%) view growth capital as a strategy of interest when investing in African PE over the next three years. Co-investing, a new entrant in this year's survey options, was the second most popular preferred strategy (81%) selected by LPs.

While still a preferred strategy, direct investing (at 38%, down from 52% in last year's survey) has decreased in popularity this year in favour of venture capital, which was chosen by 50% of LPs. Fund of funds (34%) has also risen in importance as an investment strategy from last year's survey, where it was only selected by 27% of LPs.

70% of LPs that selected Growth as a preferred strategy also viewed North Africa as an attractive region for PE investment in the next three years, while 83% of LPs that selected Direct Investment as their preferred investment vehicle selected East Africa as an attractive region for future PE investment in Africa. West Africa was an attractive region for 81% of the LPs that chose Venture Capital as their strategy preference.

Of note, Healthcare and Financial Services were the two dominant sectors of interest chosen by LPs across a range of preferred strategies: including direct investment, growth, co-investing and venture. More specifically, Healthcare averaged 68% attractiveness across these four investment vehicles, and Financials averaged 63%.

Figure 9: LPs' preferred strategies when investing in African PE over the next three years



LPs' expectations about developments that will catalyse the African PE industry

58%

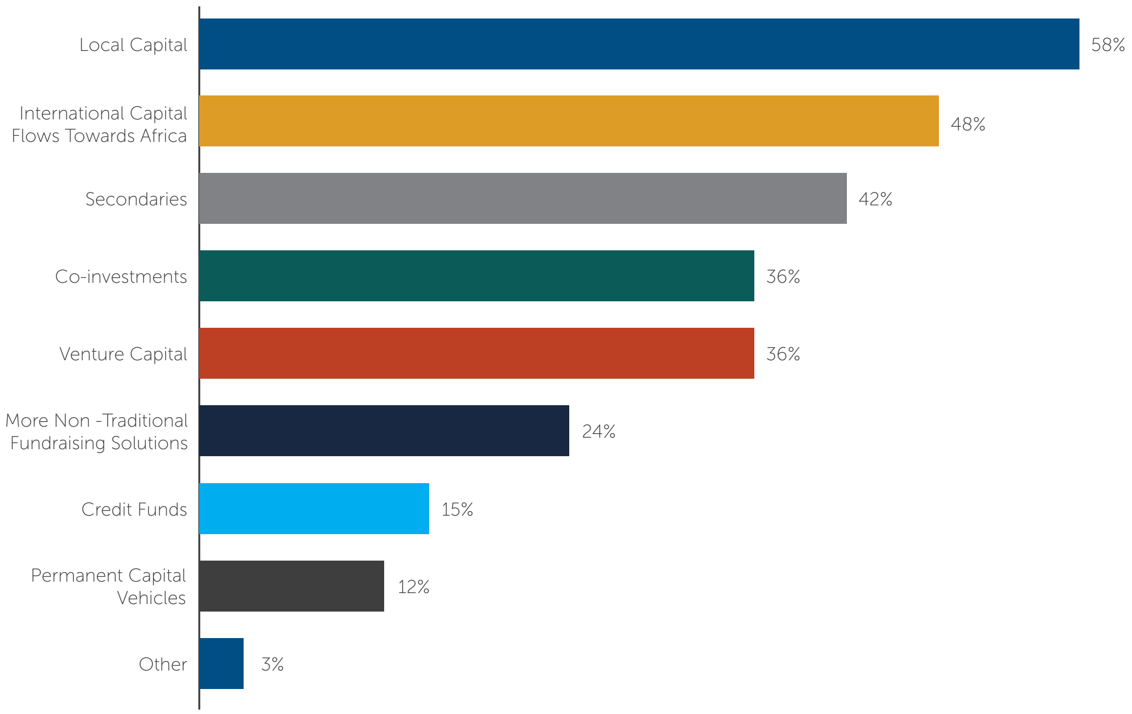
of LPs say that local capital will catalyse the PE industry in Africa

Yet again, more than half of LPs (58%) believe that local capital will catalyse the PE industry in Africa, although at a slightly decreased percentage compared to last year's survey. Of those, 84% plan to increase or maintain their African PE allocation over the next three years. By location, most African based LPs (73%) also believe that local capital will catalyse the PE industry on the continent.

Slightly less than half of the LPs that participated in the survey (48%) also selected more international capital flows as a catalyst for Africa's PE industry. Worth noting, 69% of this cohort are international investors themselves (i.e. LPs with their head office located outside of Africa).

The importance of co-investments in Africa's short-term future has decreased slightly this year, sliding to joint fourth place with Venture Capital (at 36% each) from being the second most important catalyst selected by LPs in last year's survey. That said, 75% of these have co-invested alongside an African GP in the last 5 years, and 83% look for a co-investment option when investing in an African GP.

Figure 10: LPs Expectations on Developments That Will Catalyse the PE Industry in Africa



IMPORTANT FACTORS IN EVALUATING AFRICAN PE INVESTMENTS

African PE fund managers

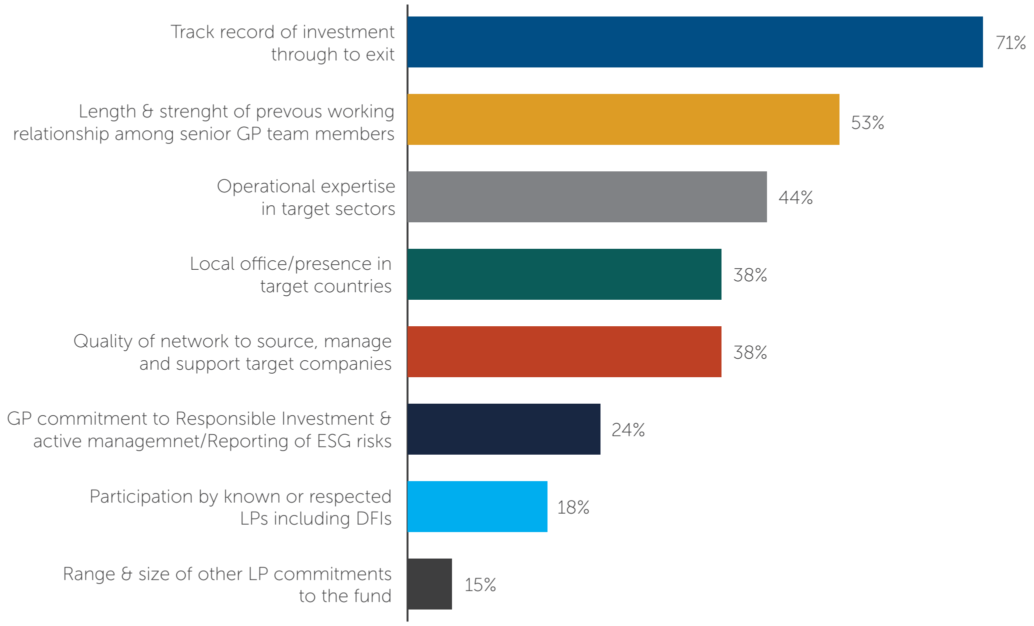
> Track record of investment through to exit is considered by the largest share of LPs as an important factor when evaluating African GPs

Track record remains the most important evaluative criterion for LPs, albeit to a slightly lesser degree than indicated in previous surveys (valued at 91% in last year's study). Nevertheless, more than half (61%) of LPs that selected track record as an important factor would still consider investing in a first-time GP in Africa if they met their criteria, and a further 55% have invested in an African GP's first fund in the last five years.

Other important factors highlighted by LPs include the length and strength of previous working relationship among senior GP team members (53%) as well as the GP's operational expertise in target sectors (44%).

At 15% and 18% respectively, range and size of other LP commitments and participation by other known or respected LPs (including DFIs) were the least selected evaluation criteria by this year's respondents. Of the LPs that valued the presence of other respected or anchor investors, a third (33%) were DFIs themselves and another third (33%) were Pension Funds.

Figure 11: Important factors in LPs' evaluation of African PE fund managers



Co-investments

83%

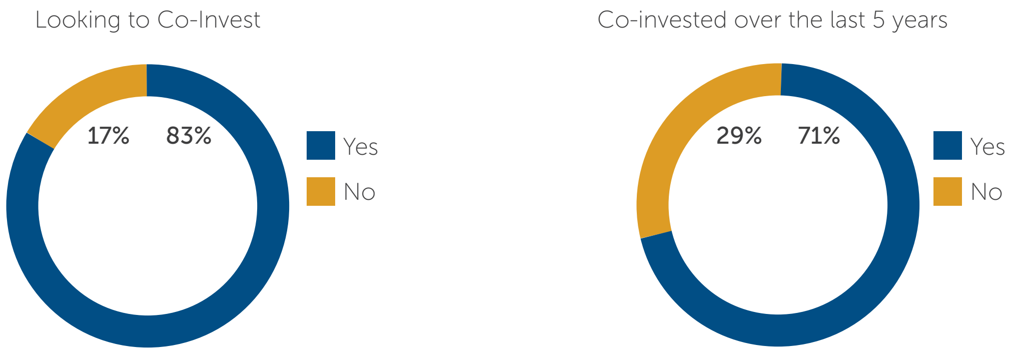
of LPs are currently looking for co-investment options; **71%** of LPs have co-invested alongside African GPs over the last 5 years

The percentage of LPs looking for a co-investment option when investing in African PE exceeds levels recorded in AVCA's 2018 survey (70%) but is nonetheless a marginal decrease from the 87% recorded in last year's survey. Only 17% of LPs do not currently consider co-investment opportunities in Africa, with half (50%) of the LPs in this bracket identifying investment policy/ mandate constraints as the main factor preventing them from co-investing.

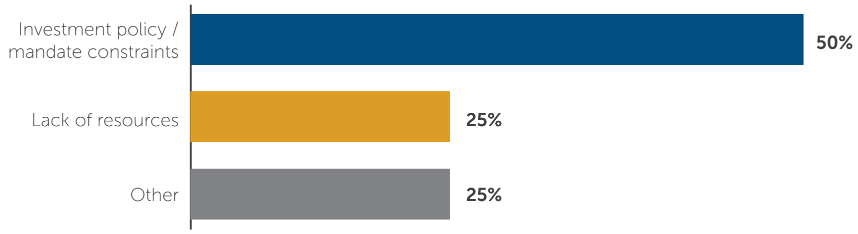
Echoing co-investment preferences exhibited in last year's survey results, almost three quarters of LPs (71%) have co-invested alongside an African GP in the last five years. Of these, 23% plan to accelerate the pace of their capital deployment in African PE in the next 1-2 years, and a further 73% will increase their PE allocation in Africa within the next three years.

Finally, the figure of those who have not made any recent co-investments alongside African GPs dropped to 29%, from 38% in last year's survey.

Figure 12: LPs Co-Investing Alongside African GPs



Factors preventing LPs from looking for co-investments



First-time fund managers

53%

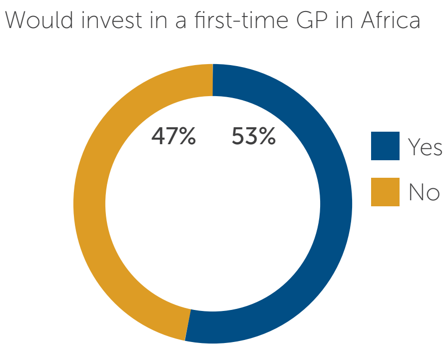
of LPs would consider investing in a first-time GP and **59%** have done so in the last 5 years

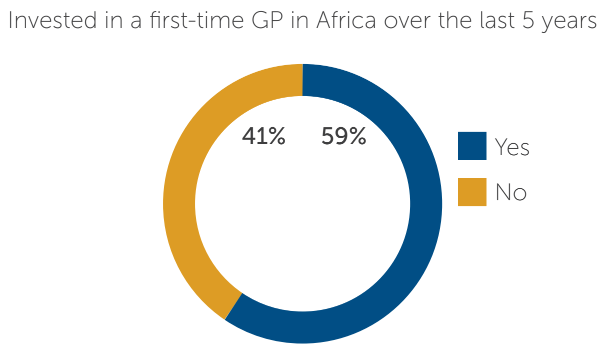
This year, the number of LPs that would consider investing in a first-time African GP stands at 53%: marking a 25% decrease from last year's figures. However, of the 47% of LPs that *prefer* not to invest in first-time GPs in Africa, 45% *have* invested in an African GP's maiden fund in the last five years and only 19% of them identified a limited number of established GPs (i.e., GPs that have raised 3 or more funds) as a challenge for LPs investing in Africa.

On the other hand, over half of LPs (59%) have invested in a first-time African GP in the last 5 years. Provided the requisite evaluation criteria is met, 65% of LPs that have invested in a first-time African GP would consider doing so again.

Additionally, LPs that have historically supported more first-time African GPs were targets of more fund commitment requests in 2020. 36% of LPs that have invested in a first-time African GP in the last 5 years were approached by more than 25 African GPs for fund commitments in 2020. Disparately, 57% of LPs that have not made recent investments in a first-time GP were approached by fewer than 10 GPs in 2020, and none were approached by more than 25 African GPs.

Figure 13: LPs investing in a first-time GP in Africa



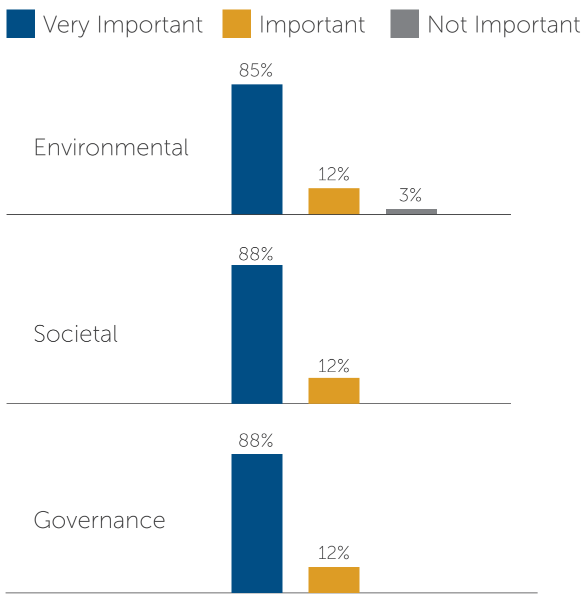


Importance of Environmental, Social and Governance (ESG) factors

Every LP that participated in the survey views social and governance factors as important or very important when investing in African PE

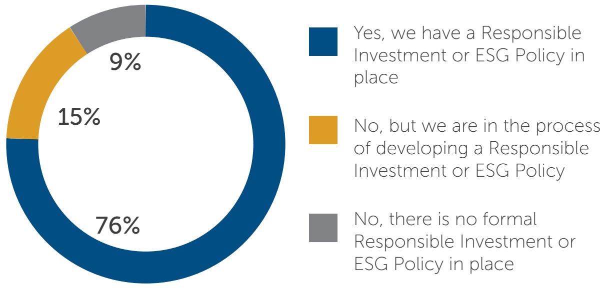
Yet again, 100% of the LP respondents view social and governance factors as being important or very important, while only 3% regard environmental considerations as unimportant. To that end, 76% have a Responsible Investment or ESG Policy in place, and 15% are in the process of developing one. Of the LPs that have instituted an ESG policy, 60% plan to increase their allocation to African PE in the next three years, driven primarily by their investment mandate (80%) and a desire for impact (73%).

Figure 14: Importance of ESG considerations in portfolio companies in Africa



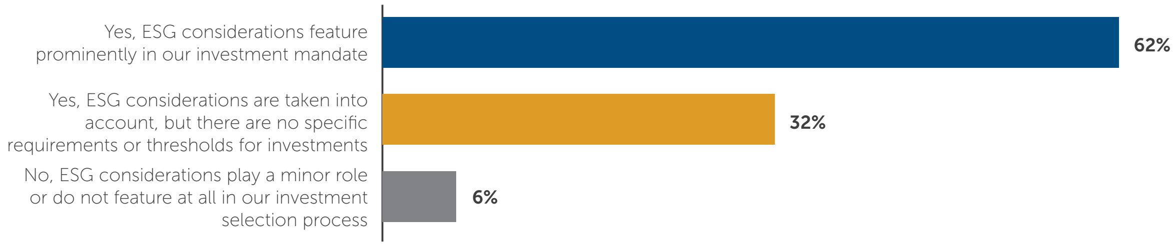
Interestingly, the LPs that neither have, nor plan to have, a formal ESG policy in place are all relatively new entrants in Africa's PE industry, where each (i.e. 100% of them) made their first investment between 2010-2019. In this cohort, a majority (67%) are North American, while the other 33% are Africa-based. However, in recognition of the importance of ESG considerations when investing in African PE, 60% of the LPs that have not implemented an organisational ESG policy but are in the process of doing so are African.

Figure 15: Organisational Implementation of a Responsible Investment or ESG Policy



Although 62% of LPs maintain that ESG considerations feature prominently in their investment mandate, only 24% identified GP commitment to responsible investment and active management or reporting of ESG risks as an important factor when evaluating African GPs.

Figure 16: Influence of Responsible Investment or ESG on fund selection



POTENTIAL OBSTACLES TO LP AND GP INVESTMENT IN AFRICA

Barriers to LP investment in African PE

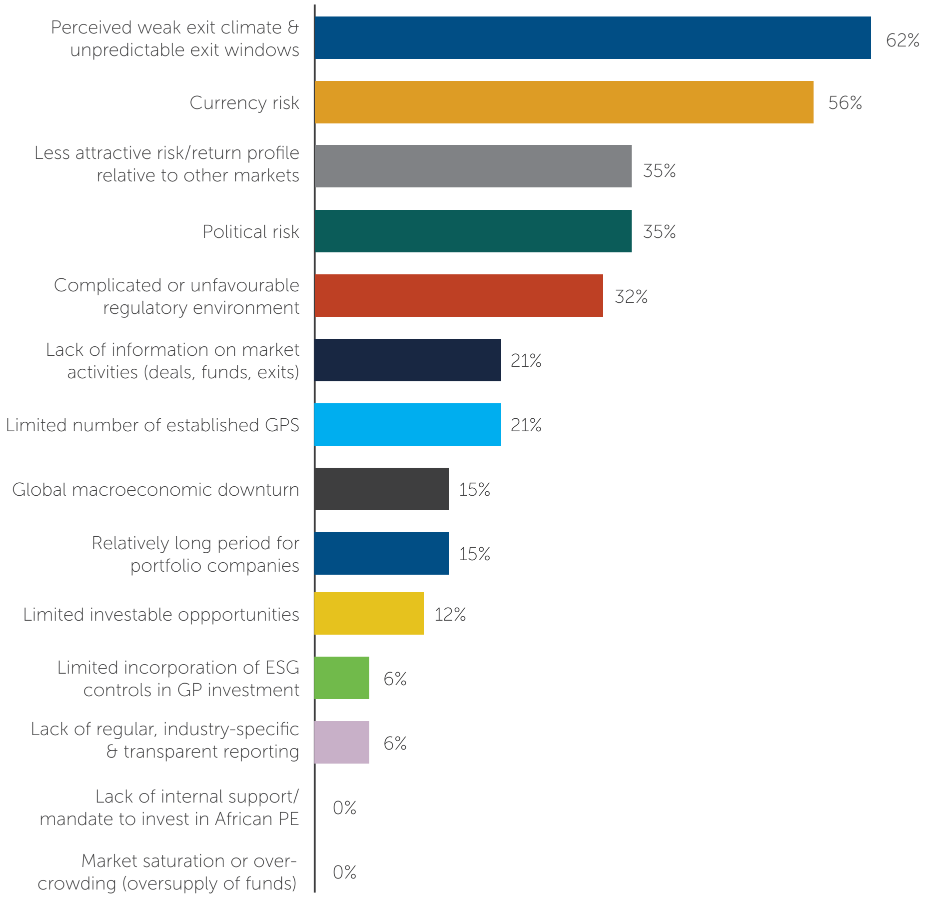
> A perceived weak exit climate, currency risk and political risk are viewed by LPs as significant challenges for LPs investing in African PE

Although almost two thirds of LPs (62%) consider a perceived weak exit climate and unpredictable exit windows barriers to LP investment in African PE; 81% of LPs that expressed this concern are planning to increase or maintain their allocation to PE in Africa in the next three years.

Currency (56%) and political risks (35%) were also identified by LPs as key challenges when investing in African PE, which supports similar findings in AVCA's previous LP Surveys. By domicile, the majority of African LPs (64%) view political risk as a significant barrier, while currency risk (65%) is the most popular option for non-African LPs. Finally, a less attractive risk/return profile relative to other markets (35%) as well as a complicated or unfavourable regulatory environment (32%) are other significant challenges regarding African PE.

Market saturation (oversupply of funds) was not selected by any respondents as a barrier to LP investment. This suggests that LPs still consider the African market to be viable and full of potential for future PE investment, evidenced in part by the fact that 65% of surveyed LPs plan to increase their allocation to African PE in the next three years.

Figure 17: Biggest challenges for LPs investing in African PE



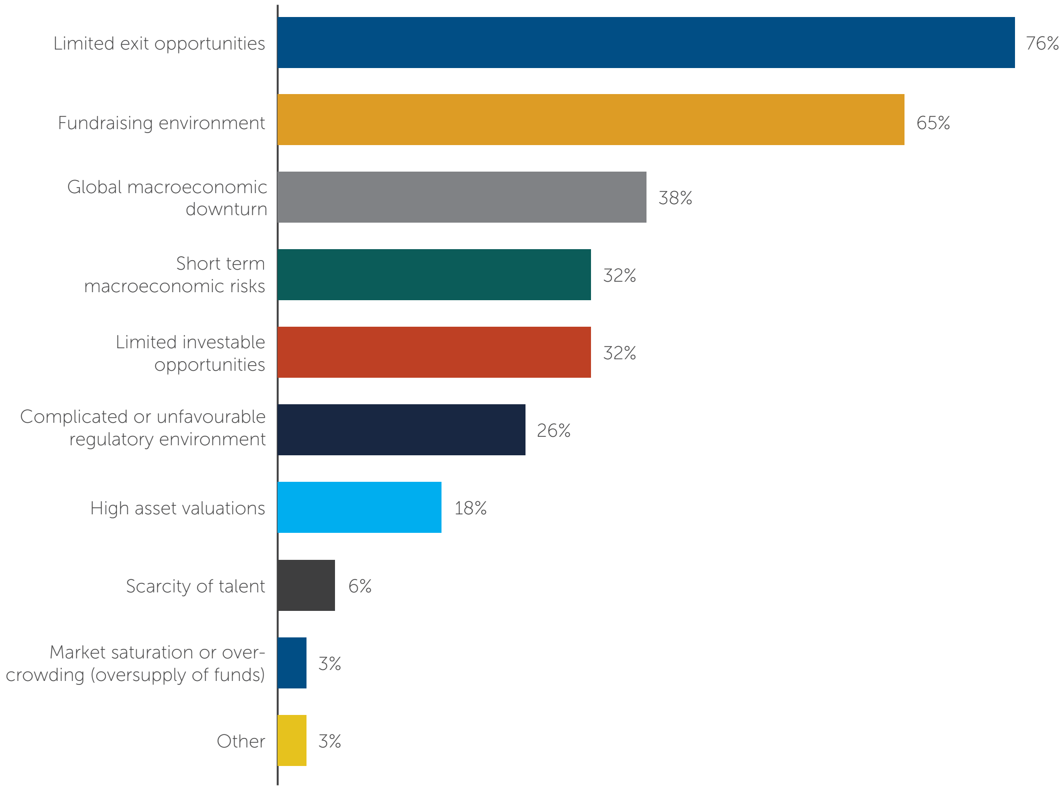
Challenges facing GP investment in Africa

> Limited exit opportunities, the fundraising environment, and the global macro-economic downturn are viewed by LPs as significant challenges facing GPs in Africa over the next three years

The proportion of respondents that view limited exit opportunities as a key challenge to GPs in Africa has held steady at 76% across both this and last year's surveys. Of these, three quarters (73%) have similarly identified unpredictable exit windows as a barrier to LP investment in African PE. In terms of their exit route expectations, 96% expect exits to PE and other financial buyers to increase in the short-medium term future.

Other challenges that LPs consider important for GPs in Africa over the next three years once again include the fundraising environment (65%). However, this year, the global macro-economic downturn (38%) caused by the Covid-19 pandemic took precedence over short-term macroeconomic risks (32%), which in previous years has been identified as a major challenge for African GPs by LPs. Concern over scarcity of talent continues to decline annually, reaching a record low of 6% from 18% last year and 53% in our 2018 LP Survey.

Figure 18: LP Perception of Challenges Facing African GPs



AFRICAN PE RETURNS

LPs' expectations about African PE returns over the next three, five and ten years

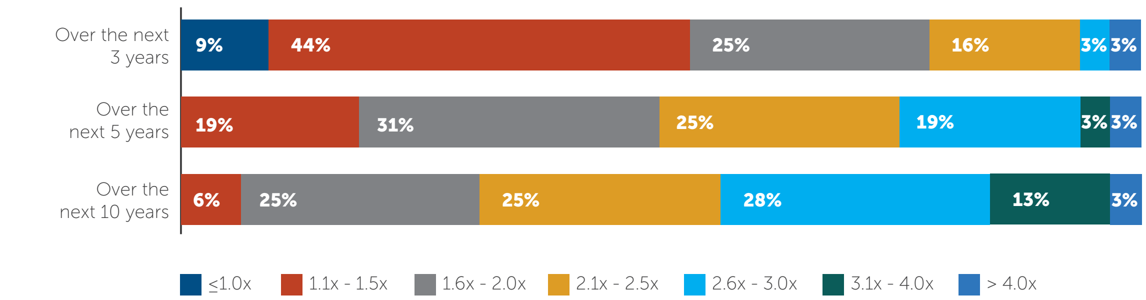
69%

of LPs expect African PE returns to exceed 2.0x over the next ten years

In the next three years, 44% of LPs expect African PE returns of 1.1x to 1.5x, and another 44% expect returns of 1.6x to 3.0x. Long-term predictions are more optimistic: 50% of LPs expect returns exceeding 2.0x in the next five years, with this figure rising to 69% in the next ten years.

Two thirds (67%) of LPs that expect returns of 2.0x or higher in the next five years also expect PE in Africa to be more attractive than PE in developed markets within the same time frame.

Figure 19: LPs' expectations about the aggregate cash-on-cash returns from African PE



Expected PE returns in Africa compared with other markets

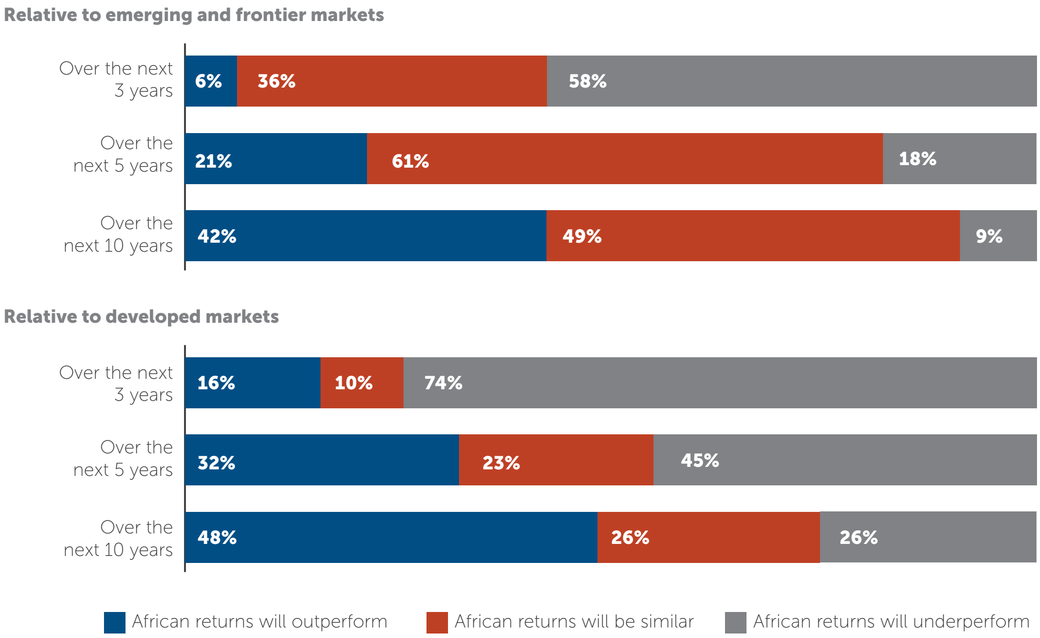
91%

of LPs expect African PE returns to be similar to or outperform other emerging and frontier markets in the long-term

A significant majority of LPs (82% and 91%) believe that African PE returns will be similar to or outperform other emerging and frontier markets over the next five and ten years, respectively. However, 58% of LPs maintain that African PE returns will underperform in the short-term, a 14% downward revision from expectations in last year's survey. Of these, 52% also indicated that their African PE portfolio has performed worse than expected and a further 47% claimed that COVID-19 had a marginal negative impact on the performance of their PE portfolio.

When compared to developed markets, 55% of LPs think African PE returns will be similar to or outperform their developed market counterparts within the next five years, and this figure rises to 74% when extended to a ten-year horizon. LPs are not as optimistic about these comparative returns in the short term; almost three quarters predict that African returns will underperform in the next three years. Nevertheless, despite these low expectations, only 5% of LPs plan to increase their PE allocation in developed markets in the next three years.

Figure 20: LPs' expectations about PE returns in Africa relative to other markets



Greatest influences on African PE returns

Fund manager skills and expertise is considered by LPs as the factor with the greatest influence on their African PE returns

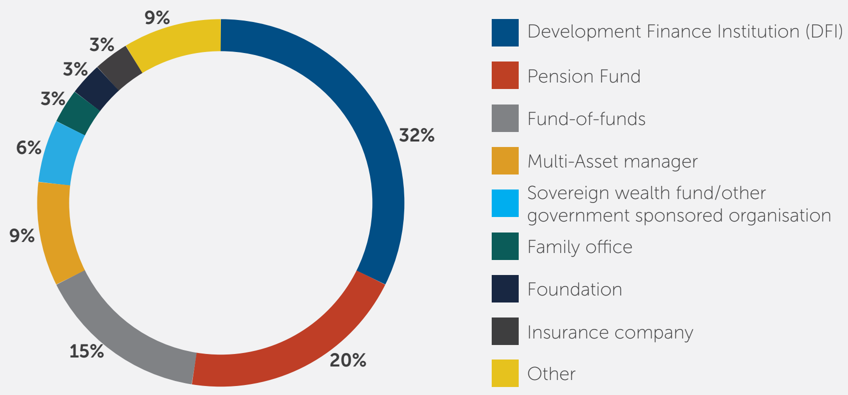
In AVCA's last four LP Surveys, LPs identified the skills and expertise of fund managers as the factor with the greatest influence on their African PE returns, closely followed by portfolio company growth and economic growth which were ranked second and third most important by LPs, respectively.

Figure 21: LPs' views on the greatest influences on their African PE returns

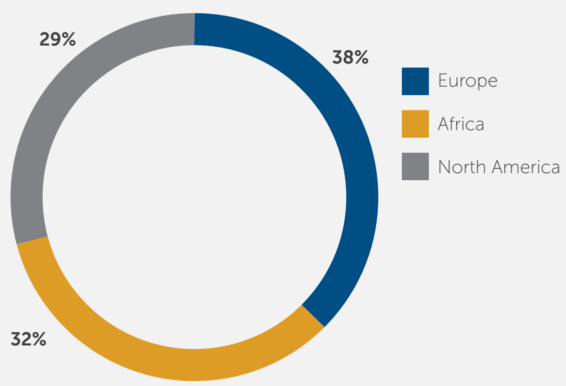
1.	2.	3.	4.
Fund manager skills and expertise	Portfolio company growth	Local Currency	Economic Growth

RESPONDENT PROFILE

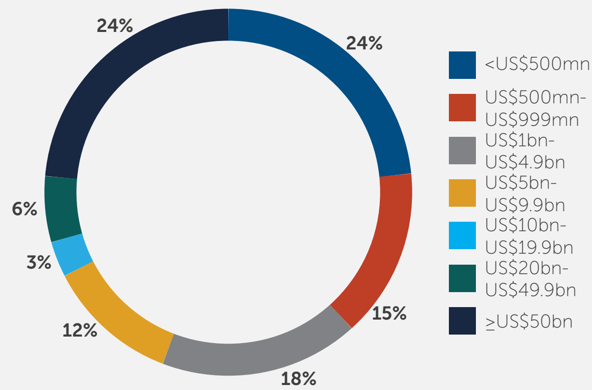
Type of organisation



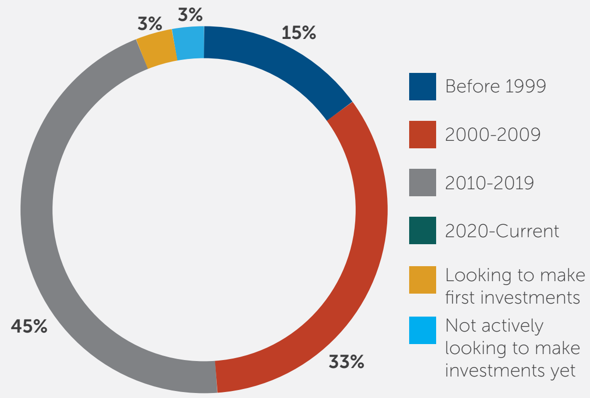
Head office location



Total assets under management (accross all asset classes)



Year organisation first started investing in African PE



African Private Equity and Venture Capital Association

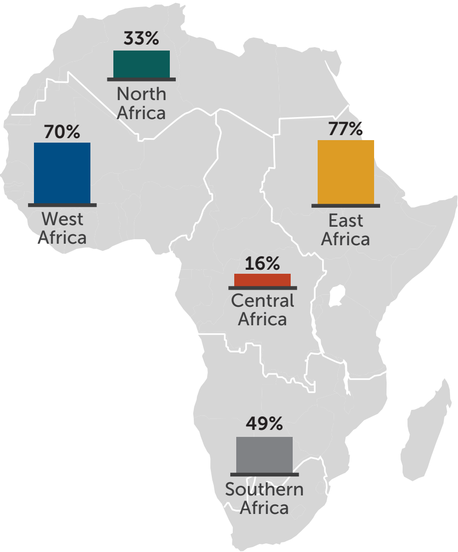
GENERAL PARTNER SURVEY

ATTRACTIVENESS OF AFRICAN PE

Attractiveness of African regions for PE investment

77% of GPs view East Africa as an attractive region for PE investment over the next three years

Figure 1: Attractiveness of African regions for PE investment over the next three years



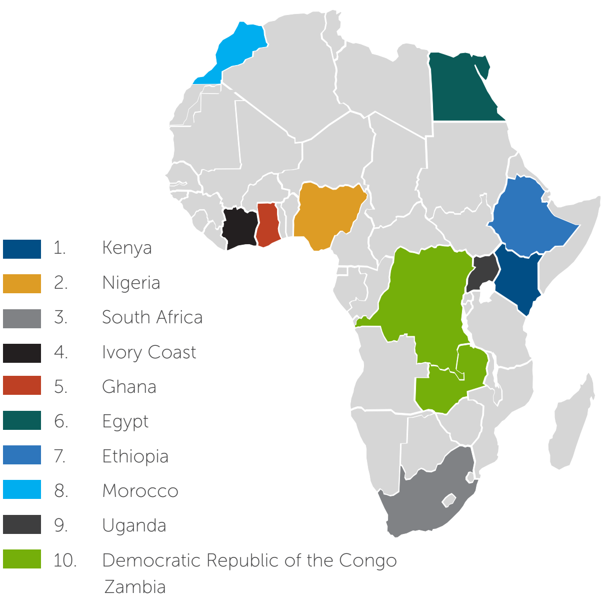
East Africa was identified by the largest proportion of GPs (77%) as an attractive region for PE investment in Africa over the next three years, closely followed by West Africa which was selected by 70% of GPs. This mirrors trends from last year's industry survey, although the proportion of GPs that view East Africa as attractive in the short term declined marginally from the 89% recorded in last year's survey. Most of the GPs (66%) that selected East Africa as an attractive region for PE investment have raised generalist funds, and 33% that have raised sector-specific funds that are focused on Agribusiness (43%) and Energy (30%).

Almost half (49%) of the GPs surveyed consider Southern Africa to be an attractive region for PE investment in Africa over the next three years, taking a more optimistic stance compared to only 26% of LPs who share a similar view.

Attractiveness of African countries for PE investment

Kenya, Nigeria and **South Africa** are viewed by the biggest proportion of GPs as attractive regions for PE investment in Africa over the next three years

Figure 2: The ten most attractive countries for PE investment in Africa over the next three years



At 73%, Kenya leads by a fairly significant margin as an attractive country for PE investment in Africa chosen by the highest share of GPs, followed by Nigeria at 46%. 37% of GPs chose South Africa as an attractive country for PE investment, marginally elevating the country to 3rd place from its position as joint fourth with Ghana in last year's industry survey.

However, GP perceptions of Ethiopia's attractiveness have shown a partial decline: it was the 7th most popular option amongst GPs, falling from 3rd place in our GP Survey last year. This echoes similar results in this year's LP survey, where Ethiopia similarly slipped to 8th place.

By region, most GPs headquartered in Africa view Kenya (74%) and Nigeria (47%) as attractive regions for PE investment, with a further 86% of these African GPs identifying growth capital as their investment stage focus. GPs headquartered outside of Africa favour growth (57%) and venture capital (43%) but identified Kenya (71%) and Egypt (57%) as attractive countries for future PE investment on the continent.

Attractiveness of sectors for PE investment

> Healthcare & Life Sciences, Technology and Agribusiness were identified by the largest proportions of GPs as attractive sectors for PE investment in Africa over the next three years

Healthcare & Life Sciences was selected by the largest proportion of GPs (67%) as an attractive sector for PE investment in Africa over the next three years, rising four places from last year's GP survey. Technology (64%) follows in close second and Agribusiness, which was selected as an attractive sector by the largest proportion of GPs in last year's survey, comes in third place this year at 43%. Worth noting, more than half (54%) of GPs that selected Healthcare & Life Sciences as an attractive sector in Africa's PE industry also capitalised on opportunities within the defensive sector following the Covid-19 pandemic.

The consumer theme, prevalent across both LP and GP responses in the last edition of AVCA's industry survey, does not feature as prominently this year. Some sectors associated with the rise of the African consumer such as Consumer Goods (29%) and Education (17%) have shown marginal decreases in popularity, but others such as Agribusiness (43%) and Financial Services (31%) are still viewed by GPs as top sectors for PE investment.

Figure 3: Most attractive sectors for PE investment in Africa over the next three years

1. Healthcare & Life Sciences
2. Technology
3. Agribusiness
4. Financial Services
5. Consumer Goods
6. Infrastructure; Telecommunications
7. Business Services; Education
8. Hotels & Leisure; Mining and Natural Resources
9. Real Estate; Utilities
10. Media & Publishing
11. Industrial Goods; Retail

GPS' EXPECTATIONS AND VIEWS ON AFRICAN PE

GPs' expectations about the impact of Africa's current macroeconomic environment on their regions of interest and their African PE portfolio

More than half of GPs believe Africa's current socio-economic landscape will not affect their regions of interest or their PE portfolio

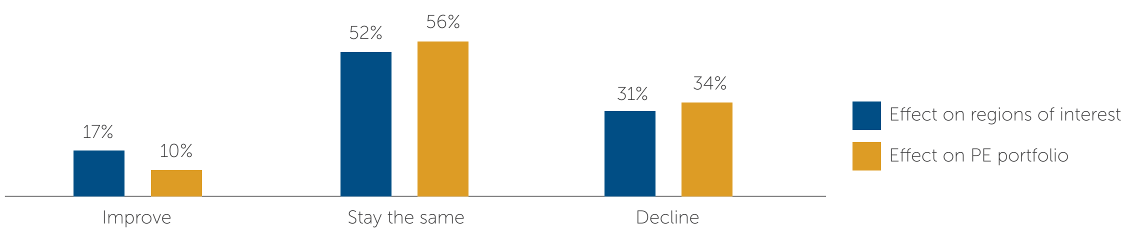
72% of respondents had a positive outlook for 2019 and expected Africa's macroeconomic environment to improve over the next three years. However, sub-Saharan Africa has since entered its first recession in 25 years following the global Covid-19 pandemic.

Despite this revised economic outlook, more than half of GPs (52%) believe Africa's current socio-economic landscape will not affect their regions of interest, and a slightly larger proportion (56%) believe their PE portfolio will be equally unaffected. This is a slight upward revision from last year's responses, where 30% of GPs predicted the socio-economic climate would have a neutral effect on their PE portfolio.

Close to a third of fund managers are not as optimistic: 31% and 34% are of the opinion that Africa's current macroeconomic environment will have a negative effect on their regions of interest and their PE portfolio, respectively. Of the GPs that predict a negative effect on their regions of interest, slightly over a third (38%) manage PE funds with a regional geographical remit and over 60% have identified East, West and Southern Africa as attractive regions for PE investment in the next three years.

A small cohort of GPs expect Africa's current macroeconomic environment to have a positive effect on their regions of interest (17%) and on their PE portfolio (10%) in the next three years. Of the GPs that hold this jointly positive outlook for their PE portfolio and their regions of interest, two thirds (67%) currently manage Real Estate Funds and another third (33%) manage Infrastructure Funds.

Figure 4: GPs' expectations about the impact of the macroeconomic environment on their Africa PE portfolio over the next three years



Developments that will catalyse the PE industry in Africa according to GPs

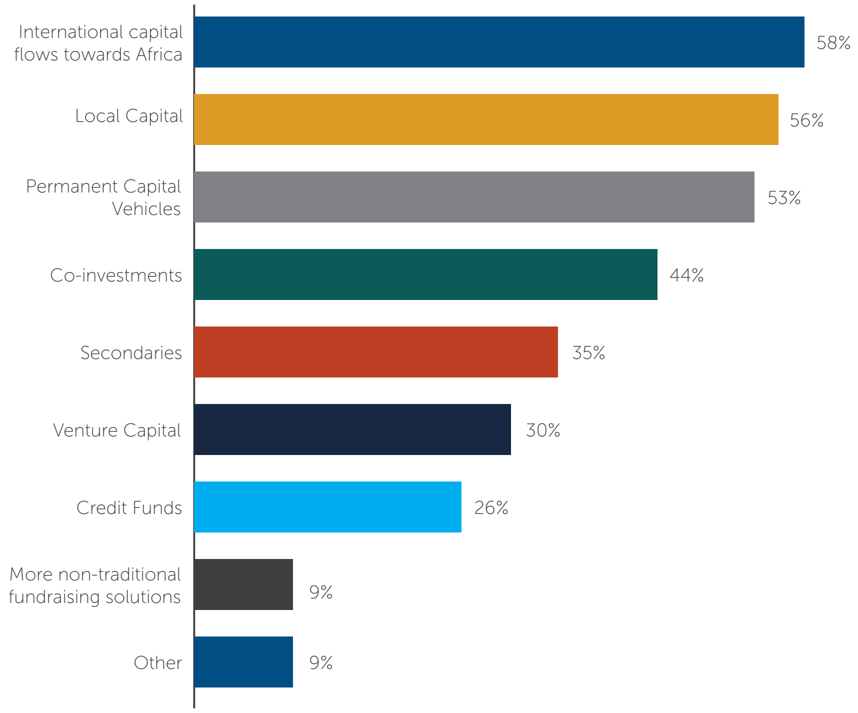
58%

of GPs believe that international capital flows will catalyse the PE industry in Africa

International capital flows (58%), local capital (56%) and permanent capital vehicles (53%) were popular catalysts highlighted by GPs for Africa's PE industry; selected by one in every two respondents in this year's survey. Co-investments continue to be important to GPs, standing at fourth place with 44%. When categorised based on sector focus, 50% of GPs that value co-investing manage infrastructure funds and another third (33%) manage energy funds.

Under 'Other' (9%), implementing more regulatory and legislative changes (such as tax incentives) as well as introducing more currency risk management solutions were also identified by GPs as developments that would catalyse the PE industry in Africa. This concern is shared by 40% of GPs and 32% of LPs, who cited a complicated or unfavourable regulatory environment (specifically legal/regulatory/tax issues) as a challenge for GPs operating in Africa's PE industry.

Figure 5: GPs' expectations on developments that will catalyse the PE industry in Africa



GPs' expectations about exit routes in African PE

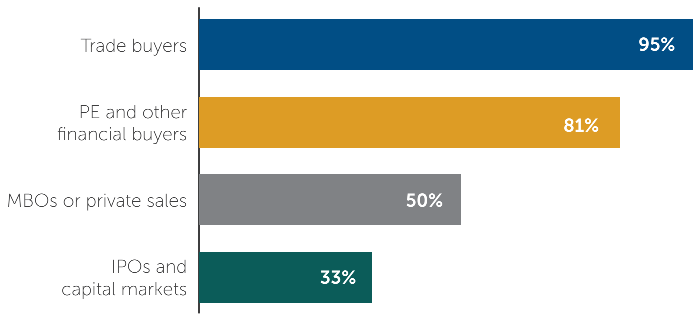
> 95%
> of GPs expect sales to trade buyers to increase in Africa over the next three to five years

Almost all the GPs (95%) that participated in this year's survey predict sales to trade buyers will increase over the short-medium term future in Africa. This year, sales to PE and other financial buyers (while still popular at 81%) dropped to second place.

MBOs are predicted to feature more prominently as an exit strategy in Africa's PE industry by 50% of GPs; half of which maintain the number of exits in Africa's PE landscape will decrease in the short-term horizon.

In contrast, those that chose sales to PE and other financial buyers as a rising exit strategy in the next three years have a more optimistic view, where 63% anticipate the number of exits will increase or stay the same within the same time frame.

Figure 6: GPs' expectations about exit routes that will increase for African PE investments over the next three to five years



GPs' primary focus regarding African PE

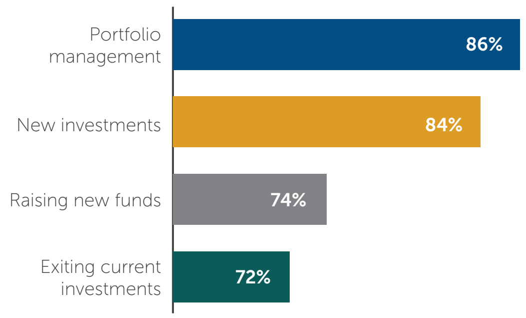
86%

of GPs are focusing on portfolio management over the next three years

GPs are marginally less focused on making new investments this year, where the portion of GPs adopting an investment-driven approach declined to 84% from the 91% recorded in last year's GP Survey. Instead, GPs have expressed a slight preference towards portfolio management (86%) as their main focus for the next three years. This may be a lingering remnant of the portfolio-first approach many fund managers adopted in 2020 to insulate their investments from the negative effects of the global Covid-19 pandemic.

However, more GPs this year (74%) reported focusing on raising new funds in their short-term future (compared to 54% last year) despite the aforementioned macroeconomic instability that characterised much of 2020. More specifically, 88% of those that identified raising new funds as a focus in the next few years will be fundraising in 2021: 82% are planning to raise a fund larger than their last, while the other 18% are planning to raise a fund equal to the last fund they raised.

Figure 7: GPs' main focus over the next three years



GPs' expectations about the space with the highest level of competition in Africa

51%

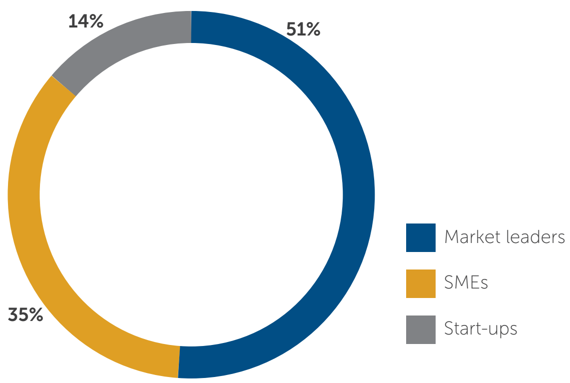
of GPs expect market leaders to attract the highest level of competition in Africa over the next three years

In a recurring trend from last year's survey, just over half of GPs (51%) believe that market leaders will attract the highest level of competition for new investment opportunities in Africa. Commensurately, those that hold this view are seeking market growth (68%) and market leadership (64%) from their African investments, with a majority (73%) exhibiting a preference for growth capital as their investment strategy.

SMEs, which account for almost 90% of all companies in Africa and nearly 80% of the continent's employment according to the IFC[2], were selected by the second highest proportion of GPs (35%). By investment size range, most GPs (71%) that chose SMEs have an average investment size range of less than US$10mn, whereas 50% of GPs that chose market leaders have an average investment size range of US$10mn-US50mn.

Only 14% of GPs predict that startups will attract a high volume of investment competition, reflecting the nascent, but steadily growing, status of the venture capital industry in Africa.

Figure 8: GPs' expectations regarding the space with the highest level of competition in Africa over the next three years



[2] International Finance Corporation, 2020. SME Initiatives. Available at: https://www.ifc.org/wps/wcm/connect/REGION__EXT_Content/Regions/Sub-Saharan+Africa/Advisory+Services/SustainableBusiness/SME_Initiatives/

Entry valuations in Africa

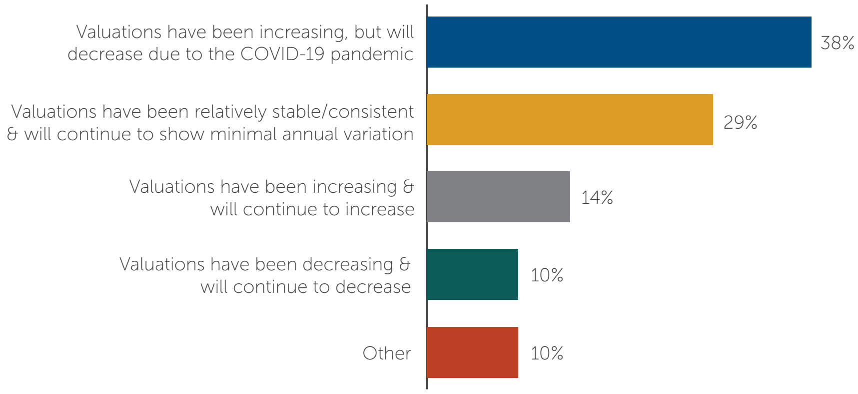
38%

of GPs agreed that entry valuations in Africa have been increasing but will decrease over the next one to three years due to Covid-19

The largest proportion of GPs (38%) maintain that entry valuations have been increasing but will decrease in the short-term future as the continent begins its economic recovery from the Covid-19 pandemic. Almost a third of GPs (29%) believe that entry valuations have been relatively stable in the last few years and will continue to show minimal annual variation. However, some GPs maintain that entry valuations in Africa have been increasing: 14% think that entry valuations have been on the rise and will continue to do so.

Of the respondents that consider entry valuations will either increase or remain stable within the next three years, 78% manage generalist funds with a regional (50%) and country specific (36%) geographic remit. Contrarily, of the respondents that consider that entry valuations have been, and will continue to, decrease – most (75%) manage sector-specific funds with a geographic remit of sub-Saharan Africa. Furthermore, all (100%) of the GPs that made this selection and were also fundraising before or during the pandemic had to both lengthen their fundraising cycle and decrease their initial fund target size.

Figure 9: GPs views on entry valuations in Africa



GPS' PRACTICES AND STRATEGIES WHEN INVESTING IN AFRICAN PE

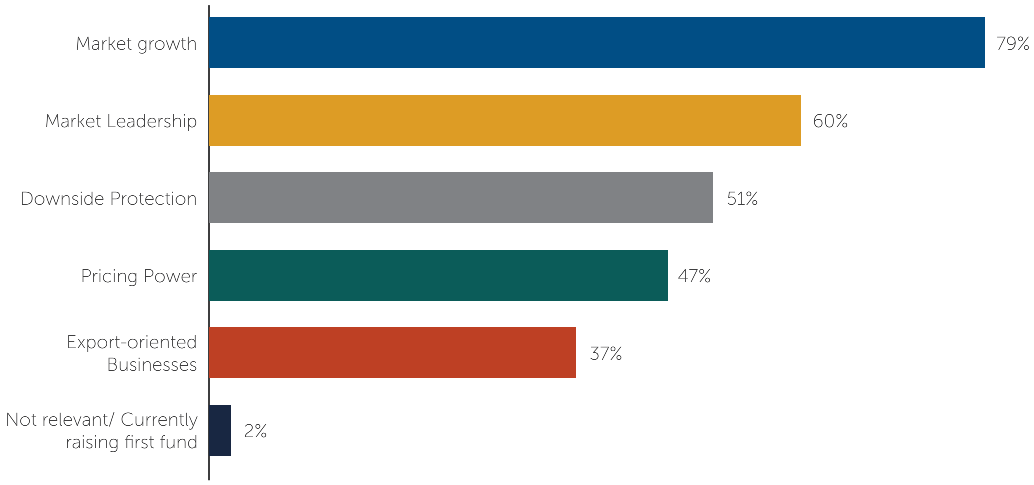
Attributes GPs are currently seeking from African PE investment

> The highest proportions of GPs are once again prioritising market growth and market leadership from their African PE investments

In a recurring trend from last year's GP survey, more than three quarters of GPs (79%) are seeking market growth when investing in African PE, with market leadership (60%) being the second most cited attribute that GPs are currently seeking from investments in Africa. The continued emphasis placed on market growth and leadership by GPs likely responds to the recent implementation of the African Continental Free Trade Area agreement which, as the world's largest free trade area, further opens up Africa's 1.2 billion-person market for investment.

Other attributes that GPs in Africa are currently seeking from their PE investments include downside protection (51%) and pricing power (47%), which were both valued by a larger proportion of GPs this year. Of the minority of GPs that are seeking export-oriented businesses (37%), 60% specifically manage Agribusiness funds.

Figure 10: Attributes GPs are currently seeking from African PE investments



POTENTIAL OBSTACLES TO GP INVESTMENT IN AFRICA

Challenges facing GP investment in Africa

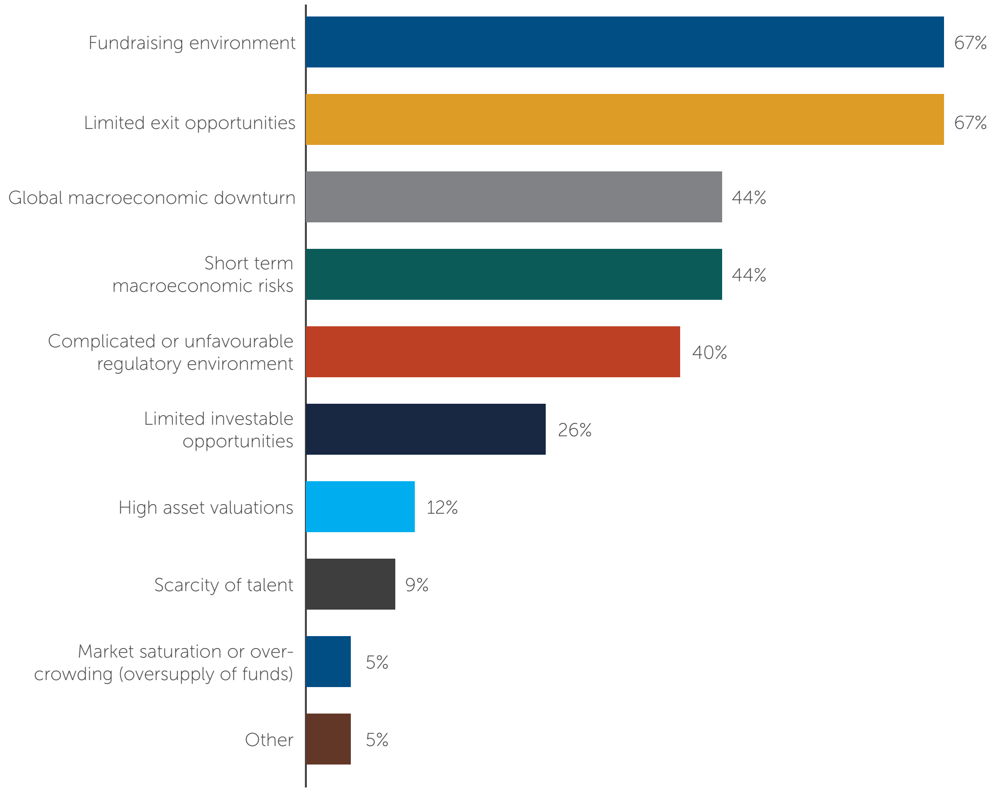
> The fundraising environment and limited exit opportunities are jointly considered the biggest challenges for PE fund managers in Africa over the next three years

On opposite ends of the PE investment cycle, respondents in this year's survey expressed equal concern (67% each) over the fundraising environment and limited exit opportunities, viewing both as the most significant challenges GPs operating in Africa's PE industry will face in the short-term horizon. 79% of GPs that identify the fundraising climate as a challenge and were also fundraising before/during the pandemic had to lengthen their fundraising cycle, while 24% suspended or postponed fundraising for their next fund altogether.

In joint second (44%), respondents classify the global macroeconomic downturn and short term macroeconomic risks as challenges fund managers in Africa will have to navigate over the next three years. Accordingly, more than half (62%) of GPs that made these selections look for downside protection in their African investments, and more than a quarter (27%) also manage funds that operate in some of the hardest-hit sectors following the global pandemic (such as Real Estate, Tourism and Hospitality).

The top four challenges identified by GPs in this year's GP Survey mirror those chosen by LPs in the LP Survey, which indicates that there is a consensus amongst both limited and general partners (or, at least, a shared understanding) of the varied challenges PE fund managers in Africa will face and navigate in the next few years.

Figure 11: Challenges facing GPs in Africa over the next three years



IMPORTANCE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

Importance of ESG considerations when investing in African PE

Every GP that participated in the survey views environmental, social and governance factors (ESG) as important or very important when investing in African PE

Although there is a unanimous consensus amongst this year's respondents on the importance of ESG considerations when investing in African PE, a slight emphasis (91%) was placed on social considerations (such as labour practices, human rights, diversity, corruption etc) by GPs.

While still of import, environmental considerations (highlighted as very important by 81%) were comparatively of slightly less concern to GPs this year. Of the fund managers that value environmental responsibility, just under a third (29% each) manage funds in 'green' sectors, namely Agribusiness and Energy.

Figure 12: Importance of ESG considerations when investing in African PE

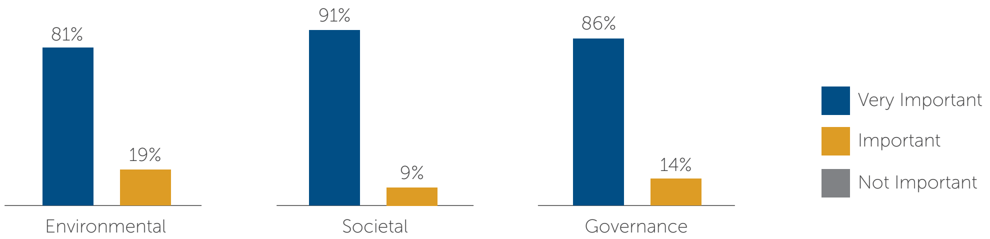
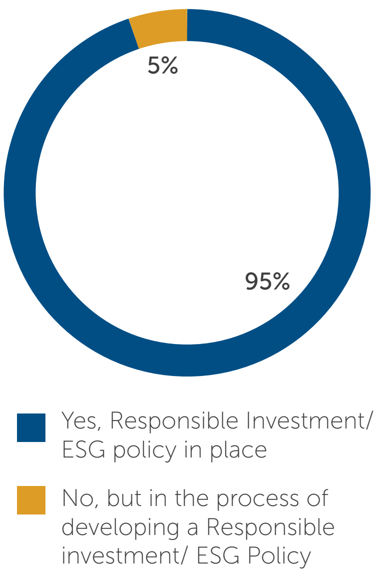


Figure 13: Organisational Implementation of a Responsible Investment or ESG Policy



In recognition of the importance of ESG considerations when investing in African PE, 95% of GPs have a Responsible Investment or ESG Policy in place, and 5% are in the process of developing one. When categorised by their regional and sectoral preferences, all (100%) of the GPs that are currently instituting a formal ESG policy are based in Africa, manage Generalist Funds and view Financial Services, Healthcare and Technology as attractive sectors for future PE investment.

AFRICAN PE RETURNS

GPs' expectations about African PE returns over the next three, five and ten years

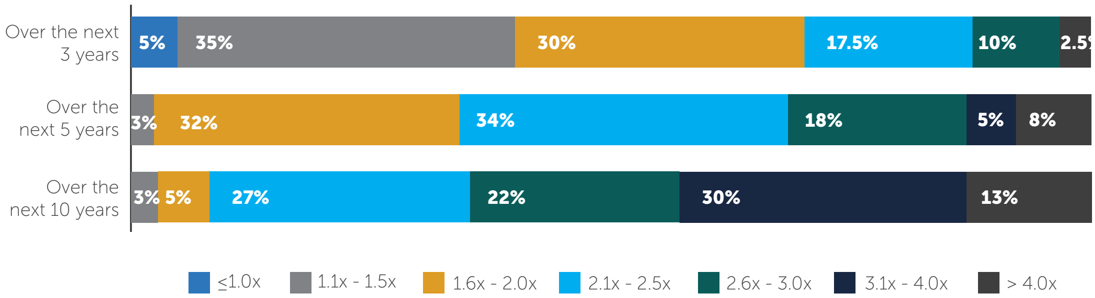
43%

of GPs expect African PE returns to exceed 3.0x over the next ten years

43% of GPs expect their African PE returns to exceed 3.0x over the next ten years, a slight downward revision from the 50% of GPs who shared this view in last year's survey. These GPs share a similarly optimistic view regarding the volume and value of PE deals in Africa: two thirds (69%) believe the number of PE deals will increase and 50% believe the value of PE deals will also increase in the short-medium term future.

In the next three years, 82.5% of GPs expect African PE returns of 1.1x to 2.5x. The GPs that expect these returns in the next three years also view Agribusiness and Information Technology (80% each) and Consumer Goods and Telecommunications (60% each) as attractive sectors for PE investment in Africa over the same period. At 12.5%, the proportion of GPs expecting returns of or exceeding 2.6x this year has halved, compared to the 24% that shared this expectation last year.

Figure 14: GPs' expectations about the aggregate cash-on-cash returns from African PE



GPs' portfolio performance achieved from African PE since inception

44%

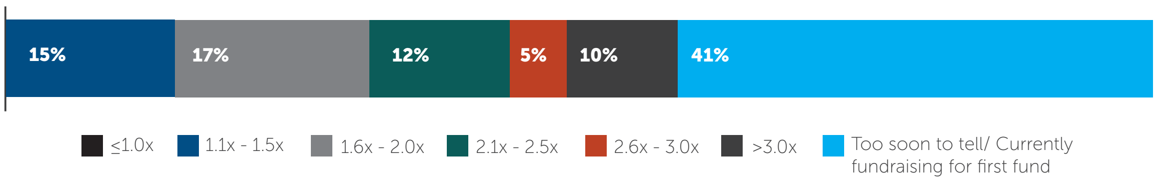
of GPs have achieved returns between 1.1x and 2.5x from African PE since inception

To date, just under half of GPs (44%) that participated in the survey achieved returns between 1.1x and 2.5x on their African PE portfolio. Half (50%) of the GPs that recorded returns within this bracket expect their returns to multiply further in the long-term: predicting average returns of 2.6x to 4.0x over the next ten years.

41% are either fundraising for their first fund or maintain the scope of their investment returns are too soon to tell at present. Of these, a significant majority (83%) have raised between 1-3 PE funds, and most (61%) made their first investments in African PE between 2010-2019.

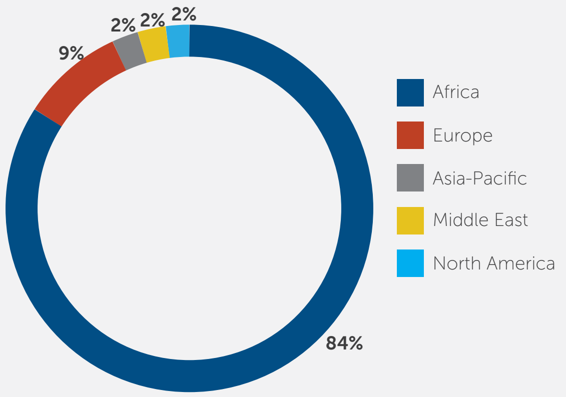
Only 15% of GPs have achieved returns from African PE portfolio exceeding 2.6x, and most (83%) of the GPs that recorded returns within this bracket have US$100mn or less of African assets under management. When categorised by fund specifics, 50% have raised sector-specific funds in Agribusiness and Information Technology and another 50% manage funds with a country-specific geographical remit.

Figure 15: GPs average investment returns for African PE portfolio

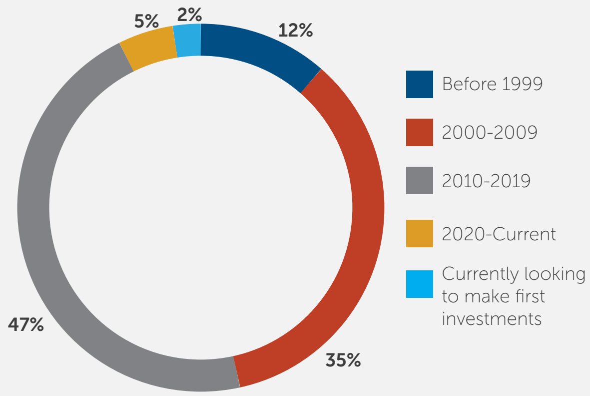


RESPONDENT PROFILE

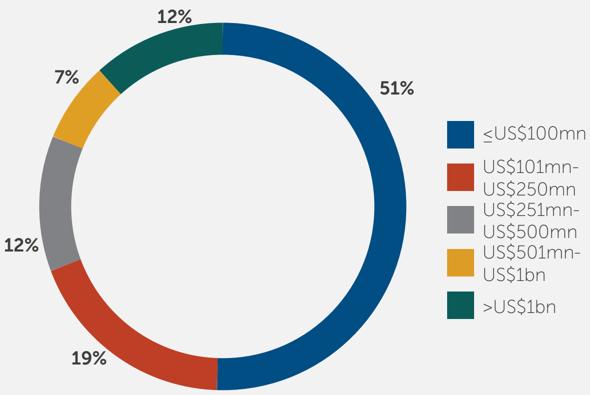
Head office location



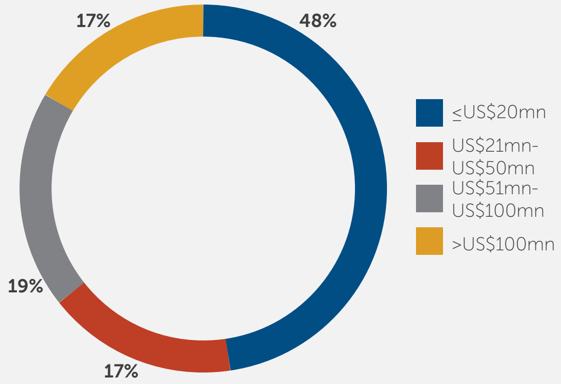
Year organisation began investing in African PE



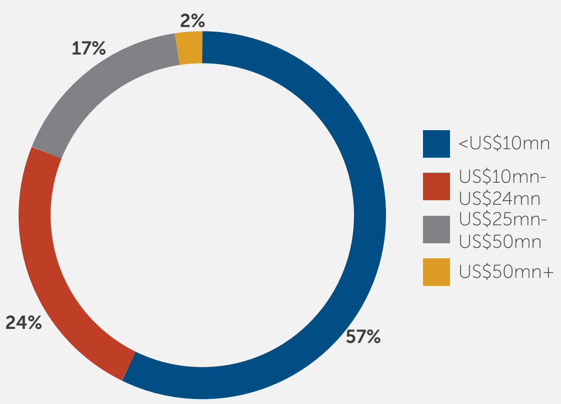
GP African assets under management



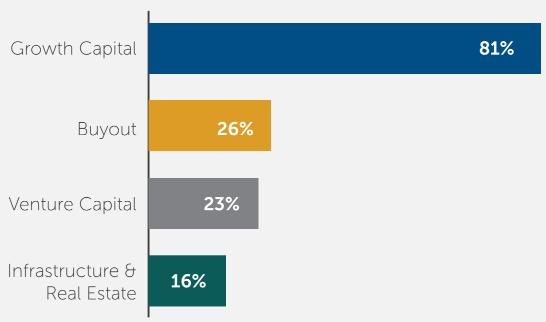
GPs By Dry Powder



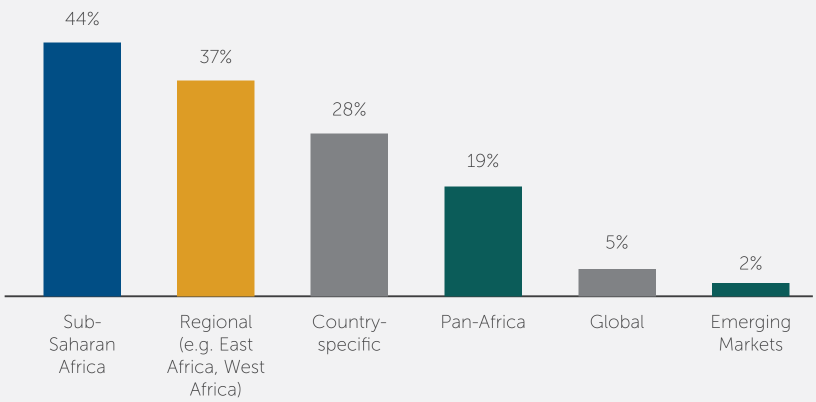
GPs by Investment Size Range



GPs by investment Stage Focus

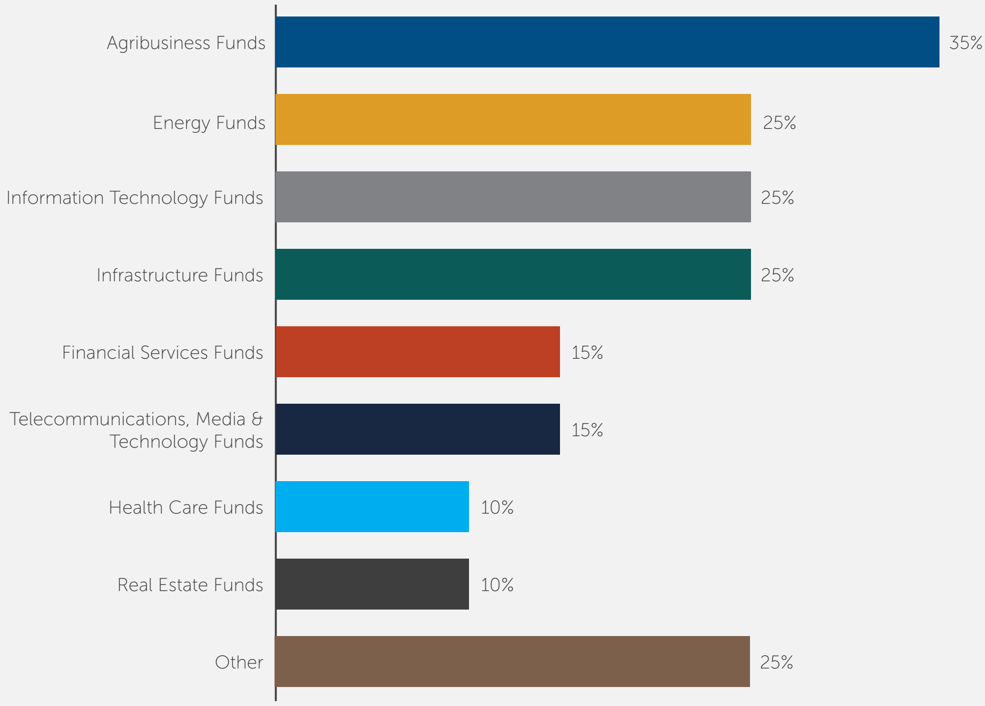


Geographic Remit of GPs' PE Funds

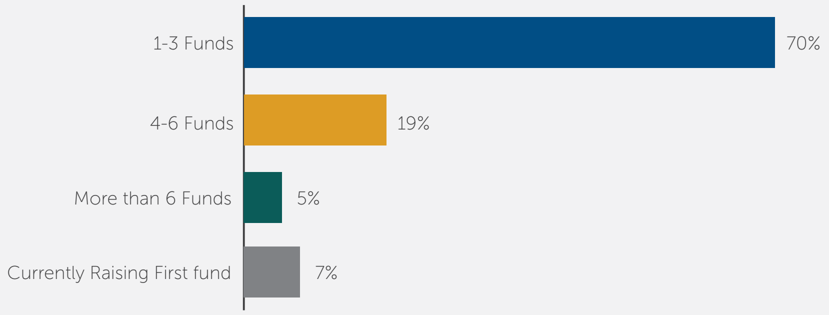


Sector Focus of GPs' PE Funds

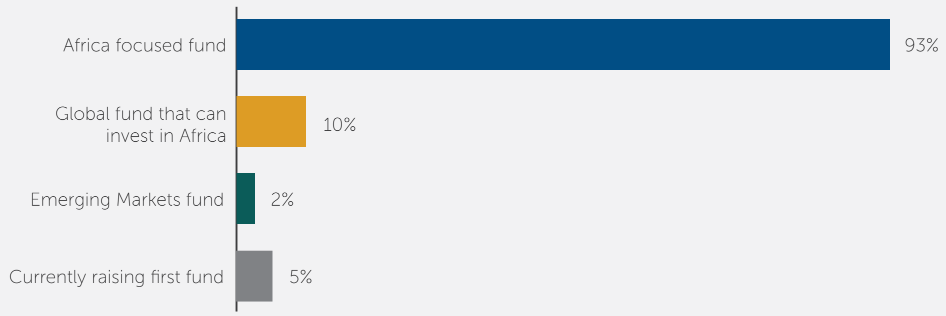
Sector Focus of GPs with Sector Specific Funds



GPs by number of funds raised that can invest in Africa



GPs by type of funds they are currently investing in Africa



African Private Equity and
Venture Capital Association

IMPACT OF
COVID-19
ON THE PRIVATE EQUITY INDUSTRY IN AFRICA

A Combined Review of Limited and
General Partners' Views and Expectations

Africa's macroeconomic outlook prior to onset of the Covid-19 pandemic was broadly positive, featuring predictions of robust economic growth across the continent averaging 3.9% in 2020 and 4.1% in 2021[3]. However, the pandemic triggered unprecedented changes to the global economy last year, given the hitherto unprecedented nature of the global healthcare crisis. To that end, as Africa begins its economic recovery from the turbulence of 2020, this edition of the Industry Survey catalogues the views and expectations of limited and general partners on the effects of the worldwide pandemic on Africa's PE industry.

ATTRACTIVENESS OF THE AFRICAN PE INDUSTRY FOLLOWING COVID-19

65%

of LPs and **48%** of GPs believe the attractiveness of African PE remains unchanged following the global pandemic

A similar proportion of limited (18%) and general partners (19%) are of the opinion that PE in Africa is marginally more attractive. However, LPs reported a slightly more optimistic outlook: 24% of GPs view African PE as marginally or substantially less attractive in the aftermath of the Covid-19 pandemic, whereas only 15% of LPs share this view.

Figure 1: LPs' perceptions of the attractiveness of African PE post-Covid

Figure 2: GPs' perceptions of the attractiveness of African PE post-Covid

[3] African Development Bank, 2020. African Economic Outlook 2020: Developing Africa's Workforce for the Future. Available at: https://www.afdb.org/en/knowledge/publications/african-economic-outlook

IMPACT OF COVID-19 ON PE PORTFOLIO

48%

of LPs believe Covid-19 caused a marginal or significant negative impact on the performance of their PE portfolio in Africa; only **34%** of African GPs expect the same for their PE portfolio in the next three years

Very few LPs (6%) reported that Covid-19 had a positive impact on the performance of their African PE portfolio. However, likely because of this positive impact, all (100%) of these LPs also plan to increase their allocation to African PE in the next three years. Similarly, only a minority of GPs (10%) expect the current macroeconomic climate in Africa to have a positive impact on their PE portfolio in the next three years.

Almost half (48%) of LPs recorded a marginal or significant negative impact to the performance of their African PE portfolio following the Covid-19 pandemic, whereas only a third of GPs (34%) expect the pandemic to have an adverse effect on their African PE portfolio in the next three years.

Figure 3: Impact of Covid-19 on the performance of LPs' PE portfolio in Africa

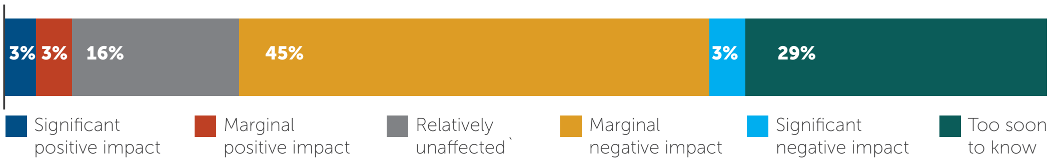


Figure 4: Expected Impact of Covid-19 on GPs' PE portfolio in Africa

IMPACT OF COVID-19 ON GP FUNDRAISING

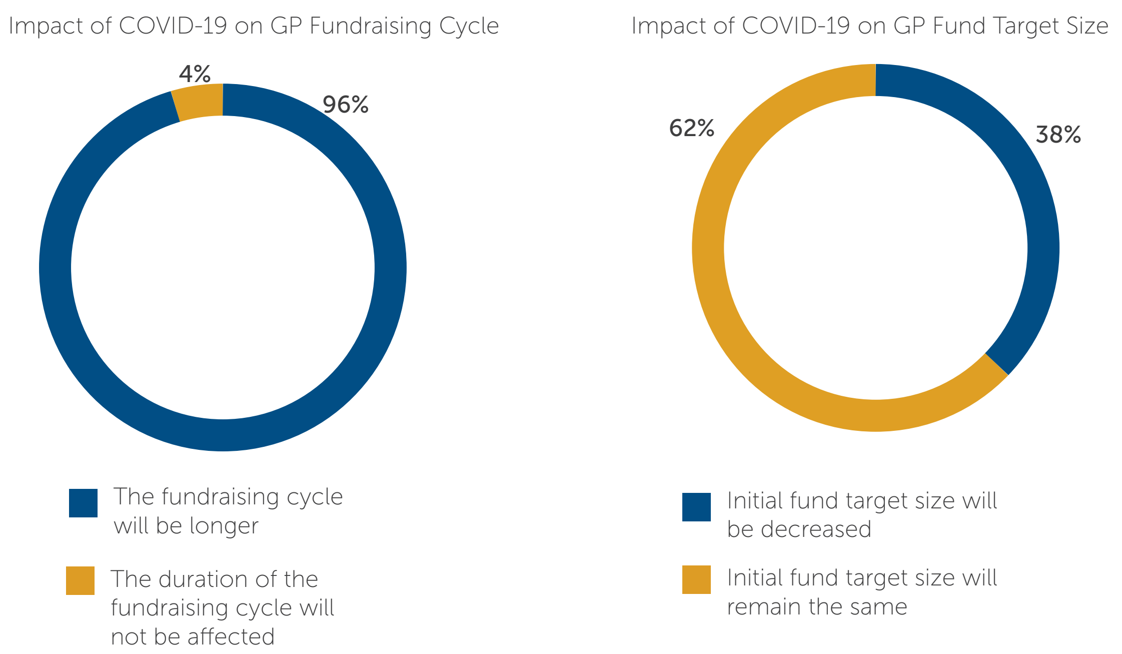
Effect of the COVID-19 pandemic on the duration of GPs' fundraising cycle and initial fund target size

96%

of GPs that began fundraising before or during the COVID-19 pandemic had to extend their fundraising cycle; **38%** of GPs had to decrease the initial fund target

An overwhelming majority of GPs (96%) that began fundraising before or during the COVID-19 pandemic elongated the duration of their fundraising cycle as a result of the global healthcare crisis, and another third (38%) also lowered their initial fund target size. This is a notable revision when compared to AVCA's Covid-19 GP Survey, published at the height of the pandemic, where only 49% of GPs that were fundraising at the time expected the crisis to impact their fundraising timeline.

Figure 5: Impact of Covid-19 on GPs' fundraising in 2020



COVID-INDUCED OPPORTUNITIES AND CHALLENGES IN AFRICA'S PE INDUSTRY

Covid-Induced Opportunities for Fund Managers to Capitalise on

Both GPs and LPs agree that African fund managers should maximise on opportunities within defensive sectors, increase their focus on ESG controls and lower company valuations (for future investments) in the wake of the Covid-19 pandemic

Unsurprisingly, most GPs (69%) embraced an increased uptake of remote working practice and corporate digitalisation, which was necessary considering the widespread containment measures implemented by national governments as the Covid-19 epidemic transitioned to a pandemic. However, this was only viewed as an opportunity worth capitalising on by 27% of LPs.

A significant proportion of LPs suggested that fund managers operating in Africa's PE industry should take advantage of opportunities in the defensive sector (88%) and lower company valuations (79%) in the aftermath of the Covid-19 pandemic. Echoing this emphasis placed by LP respondents, African fund managers also prioritised identifying and pursuing opportunities in the defensive sector (51%), further evidenced by the fact that Healthcare and Life Sciences was the most attractive sector chosen by GPs for future PE investment in Africa in the short term.

Both GPs (46%) and LPs (33%) also agreed that Covid-19 precipitated increased opportunities for African fund managers to integrate/focus on ESG controls in their investment portfolio.

Figure 6: LPs' perceptions of Covid-related opportunities GPs in Africa's PE industry can/should capitalise on in the short-medium term future

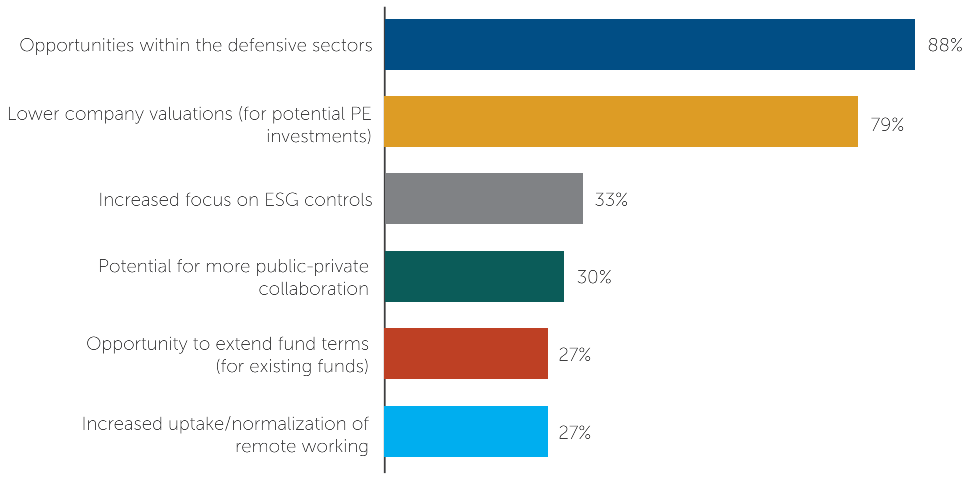
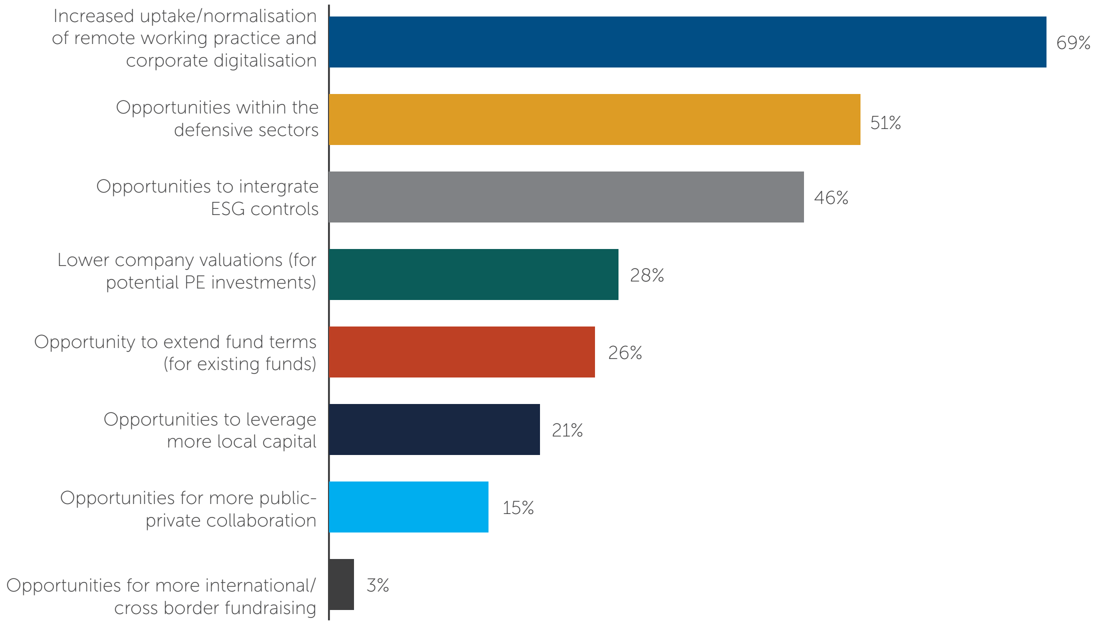


Figure 7: Covid-induced opportunities GPs capitalised on



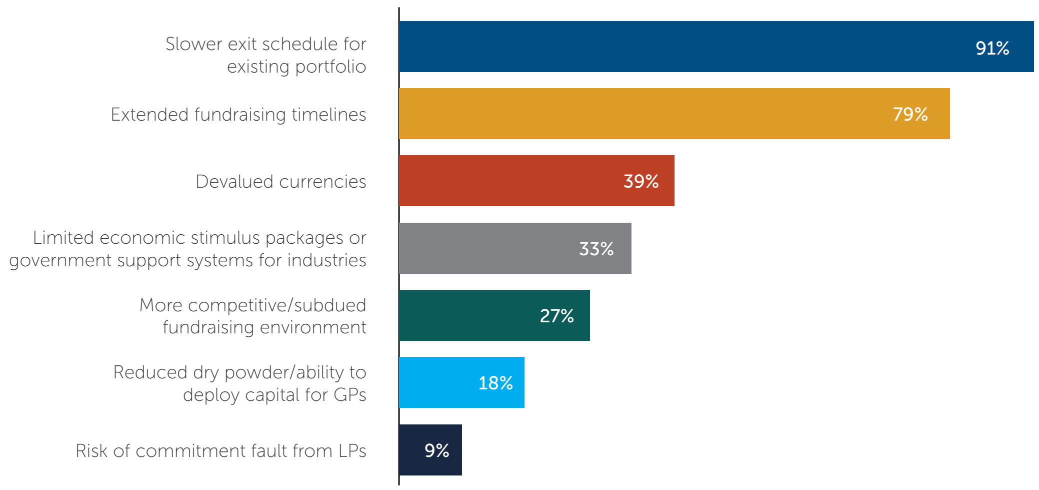
Challenges for African GPs caused by Covid-19

> Slower exit schedule for existing portfolio and extended fundraising timelines are viewed by most LPs as significant Covid-induced challenges facing African GPs

A significant majority of LPs (91%) expect that African GPs will contend with a slower exit schedule for their existing portfolio. If proved accurate, this prediction may be a challenge for the 72% of GPs who identified exiting their current investments as their main focus over the next three years.

Another 79% of LPs predict that fund managers will have to extend their fundraising timelines, which reflects the reality expressed by 96% of GPs that elongated the duration of their fundraising cycle in response to the global healthcare crisis. Worth noting, however, only 27% of LPs believe GPs in Africa's PE industry will experience a more competitive or subdued fundraising environment, which contrasts the concern shared by two thirds (67%) of GPs who view the fundraising environment as a significant challenge African fund managers will face in the short term.

Figure 8: LPs' perceptions of Covid-induced challenges GPs will face in the short-medium term



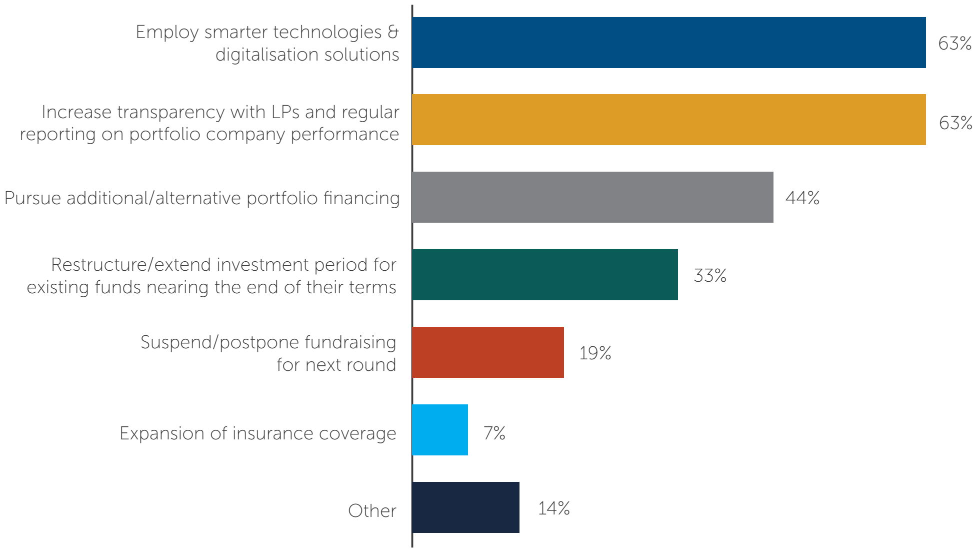
GPs' RESPONSES TO THE COVID-19 PANDEMIC

> Smarter technologies and digitalisation solutions, along with an increased transparency to LPs via more regular reporting on portfolio company performance are the strategies that most GPs adopted, or plan to adopt, in response to Covid-19 pandemic

Despite these predicted challenges, GPs have implemented, or plan to implement, a range of strategies to insulate their investments and mitigate against the negative fallout caused by the global health and economic crisis. Almost two thirds of GPs (63%) have pursued more transparency and regular reporting in their GP-LP relationships. An equal proportion of respondents (63%) also adopted, or plan to, smarter technologies and digitalisation solutions (i.e. hosting LP meetings virtually or performing due diligence online) to overcome constraints caused by the pandemic which, among other things, impeded due diligence processes and on-site visits when conducting exit valuations.

Slightly less than half (44%) also pursued additional or alternative portfolio financing. All (100%) of the GPs that pursued supplementary portfolio financing also indicated they would be focusing on portfolio management over the next three years.

Figure 9: Strategies that GPs implemented, or plan to implement, in response to Covid-19



RESEARCH METHODOLOGY

LP Survey

AVCA surveyed 34 LPs from across the globe between January 2021 and February 2021. Participants were selected to represent a broad cross-section of investors. The sample contains a diverse mix of LPs, such as DFIs, family offices, foundations, fund-of-funds, pension funds and sovereign wealth funds. Respondents range from organisations managing less than US$500mn total AUM to those with over US$50bn AUM. The survey was undertaken via an online questionnaire and incorporates the views of African and non-African investors who are currently invested in PE in Africa, as well as those planning to make their first investments in the near future. The survey questions were designed to interrogate LPs' views, plans and expectations about African PE. Only the researchers involved in the project had access to the information in this survey, and individual responses were kept strictly confidential.

GP Survey

AVCA surveyed 43 GPs from across the globe between December 2020 and February 2021. The sample contains GPs with a diverse range of strategies across different sectors, geographies, investment ticket sizes and investment stage focuses. Respondents vary from organisations managing less than US$100mn African AUM to those with over US$1bn African AUM. The survey was undertaken via an online questionnaire and questions were designed to interrogate GPs' views, plans and expectations about African PE. Only the researchers involved in the project had access to the information in this survey, and individual responses were kept strictly confidential.

Survey Definitions and Abbreviations

- Assets under management abbreviated to "AUM"
- Development Finance Institutions abbreviated to "DFIs"
- Emerging markets encompasses the private equity markets of all countries outside of the United States, Canada, Western Europe, Japan, Australia and New Zealand.
- Environmental, Social and Governance abbreviated to "ESG"
- General Partners abbreviated to "GPs"
- Limited Partners abbreviated to "LPs"
- Private Equity (abbreviated to "PE") encompasses leveraged buyouts, growth capital, venture capital and mezzanine investments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ABOUT AVCA

Championing Private Investment in Africa

The African Private Equity and Venture Capital Association is the pan-African industry body which promotes and enables private investment in Africa. AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities. With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations. This diverse membership is united by a common purpose: to be part of the Africa growth story.

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