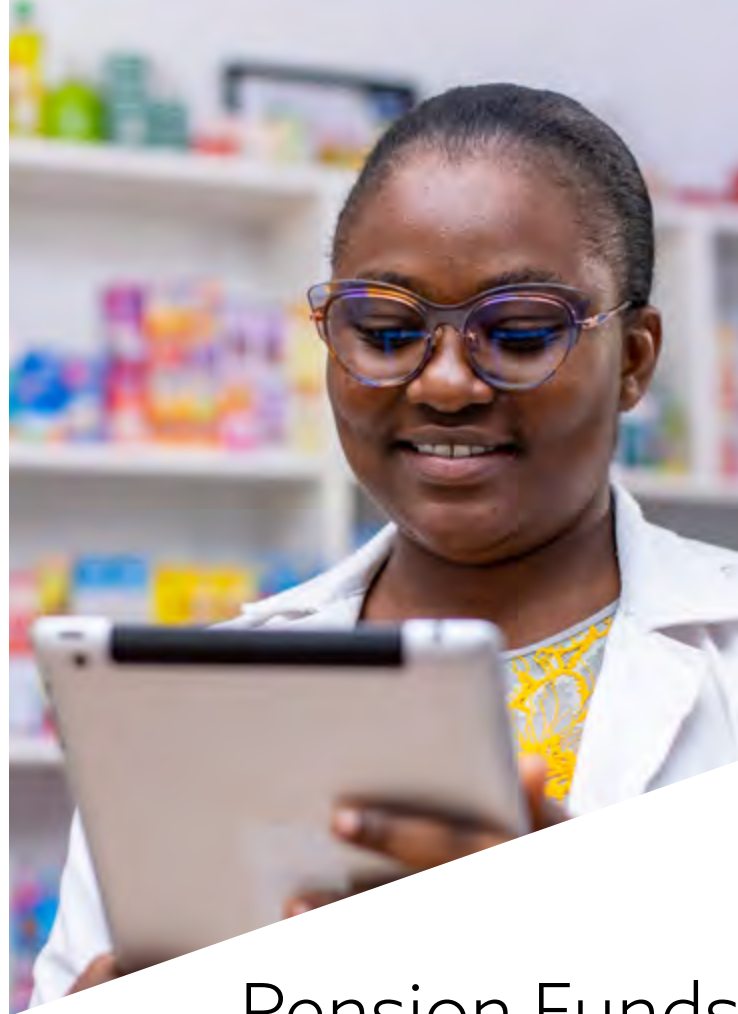




Pension Funds and Private Capital in Ghana

OCTOBER 2025



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Executive Summary

Ghana's pension industry is at a strategic inflection point, marked by rapid asset growth and an increasing opportunity to mobilise domestic capital for private sector development. With a deep and expanding reservoir of long-term institutional capital, pension funds are uniquely positioned to play a catalytic role in financing private capital markets.

This report examines how Ghana's pension funds can evolve from passive capital holders into active allocators within Africa's private capital ecosystem. As the industry matures, the imperative is no longer whether to diversify, but how swiftly and effectively pension assets can be deployed into alternative investments.

This report traces the evolution of Ghana's pension industry, before drawing on proprietary survey data and in-depth interviews with leading pension providers to unpack allocation behaviours and identify both enablers and barriers to private capital investment. In doing so, it serves as a practical roadmap for pension stakeholders, fund managers, and policymakers. Its release comes at a pivotal moment. Across Africa, there is growing momentum to increase local capital participation in private markets. In Ghana, pension institutions are actively pursuing portfolio diversification and increasingly viewing private capital as a strategic avenue for long-term returns and national development impact.

Pension Private Capital Allocation Gaining Momentum Despite Low Current Exposure

Ghana's pension industry has undergone a significant transformation over the past two decades, evolving into a structured and increasingly sophisticated institutional framework. With total assets under management reaching GHS86.4 billion (US\$5.9 billion) at the end of 2024, the sector now plays a critical role in both social protection and long-term capital mobilisation.

Despite the rapid growth in pension assets, investment strategies within Ghana's pension industry remain largely conservative. Allocations continue to be anchored in government securities, favoured for their perceived safety, predictable returns, and supported by a regulatory ceiling of up to 75%. In contrast, exposure to alternatives (a broad category including, but not limited to, private equity, venture capital, real assets, and private debt) remain marginal, accounting for just 11% of total assets, equivalent to a 4.4% utilisation of the 25% regulatory ceiling. If fully leveraged, Ghana's pension funds could unlock over US\$1 billion in long-term capital for private capital.

The scale of this capital could transform Ghana's modest private capital industry and strengthen its position as a secondary hub in Africa. Between 2016 and 2024, Ghana-focused funds raised only US\$0.3bn in final closes, significantly trailing Africa's cornerstone markets – South Africa (US\$6.4bn), Nigeria (US\$2.3bn), Egypt (US\$0.7bn), and Kenya (US\$0.6bn). Allocating even 5% of pension assets to private capital would unlock GHS3.2bn (US\$0.2bn), an 85% uplift compared to Ghana's total fundraising over the past 9 years.

AVCA's *Pension Funds and Private Capital in Ghana Survey* data further reveals that direct allocations to private capital stand at just 0.5%, underscoring the nascent stage of pension engagement with the asset class. This conservative allocation pattern is not unique to Ghana. Across Africa, pension funds have yet to fully embrace private capital. In 2024, South Africa allocated just 0.8% of pension assets to private equity and venture capital, while Kenya stood at 0.7%. These figures reflect a broader continental trend of underutilisation, despite growing regulatory flexibility and market maturity.

Encouragingly, momentum is building in Ghana. Pension funds are increasingly recognising the strategic value of alternative investments, not only for diversification, but also for long-term value creation. Survey findings show that 57% of respondents now report some exposure to private capital, while a further 33% are actively seeking their first investment, marking a significant milestone in a market where alternatives are still emerging.

Perception Shifts Post-Reform, Yet Currency Volatility Undermines Confidence

Pension funds' allocation decisions remain heavily influenced by regulatory and macroeconomic dynamics. On the regulatory front, the 2021 amendment to the NPRA Investment Guidelines marked a turning point. By expanding the list of permissible asset classes to include private debt and infrastructure, the reform signalled a more progressive stance toward alternative investments. Notably, 65% of surveyed pension providers reported a more favourable perception of private

capital following the amendment, underscoring the catalytic role regulation can play in shaping institutional investment behaviour.

Macroeconomic conditions, however, continue to temper enthusiasm. Exchange rate volatility emerged as the top concern, cited by 63% of respondents, following a sharp 59% depreciation of the Ghanaian Cedi against the US Dollar between end-2021 and mid-2024. While some pension providers view foreign-denominated funds as a potential hedge against further depreciation, this strategy introduces currency mismatch risks that could erode returns in the event of Cedi appreciation.

Barriers to Pension Fund Allocation Remain Pronounced

Despite growing interest in private capital, Ghanaian pension service providers continue to face a range of market, regulatory, structural, and Manager-related barriers that constrain meaningful allocation.

1. Market Barriers

- Currency risk is the most significant barrier, with Cedi volatility increasing risk aversion and complicating portfolio construction.
- Data opacity, including the lack of reliable market information, transparent reporting, and accessible benchmarks, limits informed investment decision-making.
- Although exit challenges are less frequently cited, they remain strategically important due to Ghana's early-stage private capital market and limited exits. Accordingly, pension providers require greater visibility on the timing and mechanisms for return realisation.

2. Regulatory Barriers

- Local fund access is constrained by complex licensing processes that discourage fund setup in Ghana.
- Offshore investment limitations persist despite NPRA's 5% allowance, due to opaque presidential approvals and blocked transactions.
- The absence of Limited Partnership structures undermines tax efficiency and alignment with global private capital norms.

3. Structural Barriers

- Internal capacity gaps are a major barrier: 42% of respondents cite lack of in-house expertise in private capital investing.
- The pension industry maintains a conservative institutional culture: 32% report heightened scrutiny of alternatives.
- Given pension funds' limited experience of private capital investment, they showed a strong preference for partnering with experienced fund managers.

4. Manager-related Barriers

- Limited GP outreach is a critical barrier: 89% of respondents engaged with fewer than three GPs in the past year, restricting relationship-building and capital deployment.
- A lack of credible exit strategies, as previously mentioned, is another barrier for pension providers (37% of respondents), highlighting the need for GPs to clearly articulate realistic exit pathways.
- Fund manager fees are a minor concern (cited by only 16%), suggesting trust-building and transparency are more pressing.

Unlocking Pension Capital: Four Strategic Levers for Market Participation

Bridging the gap between Ghana's pension industry and meaningful participation in private capital markets will require coordinated action across four critical fronts:

1. Market Data & Transparency

Improving market access through data transparency and tailored GP engagement. Pension funds need consistent, credible data to assess opportunities and build confidence in the asset class. Improved transparency and proactive engagement from fund managers are essential to support informed decision-making.

2. Institutional Capacity

Building institutional capacity via targeted training, technical assistance, and pooled investment structures can strengthen pension funds' ability to evaluate, manage, and allocate to private capital. Building internal expertise is key to unlocking long-term participation.

3. Risk Mitigation Tools

Blended finance mechanisms, first-loss capital, and co-investment partnerships can help align private capital strategies with the conservative mandates of pension funds, reducing perceived risk.

4. Regulatory Reform

Addressing regulatory gaps by recognising Limited Partnerships, streamlining fund manager licensing, and clarifying offshore investment rules would create a more enabling environment for private capital investment. These reforms are essential to align Ghana's legal framework with global best practices.

Together, these interventions can unlock greater participation from Ghana’s pension sector, deepen the pool of domestic patient capital, and support sustainable economic growth.

Policy Shifts Support Optimistic Industry Outlook

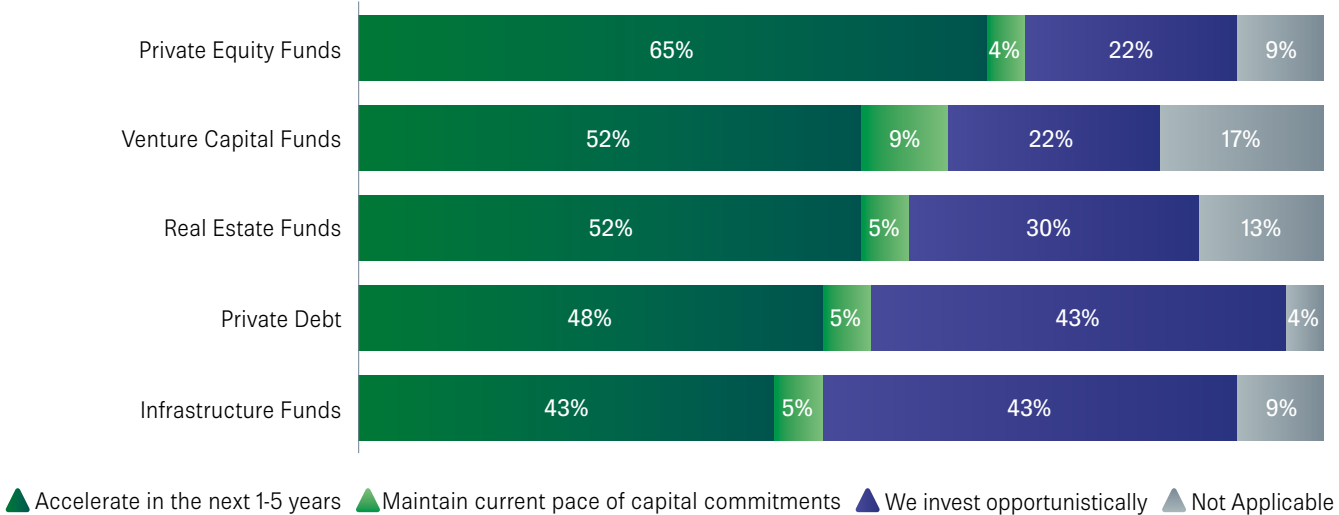
The outlook for pension fund participation in private capital is cautiously optimistic, with players planning to build on their current allocations across asset classes. Already, respondents’ current commitments show a clear preference for tangible, long-duration investments: 38% are invested in real assets (e.g., property, infrastructure), 24% in private equity, and 19% in venture capital. Over the next five years, most respondents indicated plans to increase exposure, with private equity leading the way: 65% expect to boost allocations, nearly half (48%) within the next 1–2 years, and a further 17% within a 3–5-year horizon. Venture capital and real estate

funds also featured prominently in future allocation plans. Importantly, no respondents intend to reduce exposure.

This growing momentum is reinforced by recent policy developments. Most notably, in May 2025, the Government of Ghana issued a directive mandating that pension funds and insurance companies allocate at least 5% of their assets to private equity and venture capital by 2026. While the directive has not yet been formalised into regulation, it signals a strong policy shift, recognising the strategic role pension funds can play in financing private capital and laying the groundwork for expanding the pool of domestic institutional capital available to fund managers.

Together, these trends reflect a sector in transition, moving from cautious interest to structured engagement, with policy support acting as a catalyst for deeper institutional participation.

Figure 1: Private Capital Allocation Plans (Next 5 Years)



Source: AVCA survey



Evolution and Profile of Ghana's Pension Fund Industry

1.1 Institutional Landscape of the Pension Fund Industry in Ghana

Over the past two decades, Ghana's private pension industry has undergone a profound transformation, evolving from a fragmented system into a structured and sophisticated institutional framework. This evolution was catalysed by pivotal regulatory reforms initiated in the early 2000s, which laid the foundation for a more inclusive and resilient pension system. Today, Ghana's pension ecosystem plays a critical role not only in providing social protection, but also in capital formation, with growing relevance for long-term investment and private capital mobilisation. At the core of Ghana's pension system is an innovative three-tier structure designed to balance mandatory coverage with voluntary savings, while fostering institutional participation across both public and private sectors. Under this system, Tier 1 is a compulsory, publicly administered scheme managed by the Social Security and National Insurance Trust (SSNIT) and financed through an 18.5% payroll contribution split between employers and employees¹. SSNIT retains 11% of the pension disbursements and remits 2.5% to the National Health Insurance Scheme², reinforcing the system's social protection mandate.

Tier 2, a privately managed, mandatory occupational pension scheme, absorbs the remaining 5% of the total contribution. These funds are invested by licensed fund managers, with contributors receiving lump-sum benefits at retirement. Tier 2 has become a significant source of institutional capital, offering a stable and growing pool of assets for long-term investment. Tier 3, comprising the Provident Fund and Personal Pension Schemes, is voluntary and privately managed, and designed to incentivize additional retirement savings through generous tax exemptions on contributions up to 16.5%³.

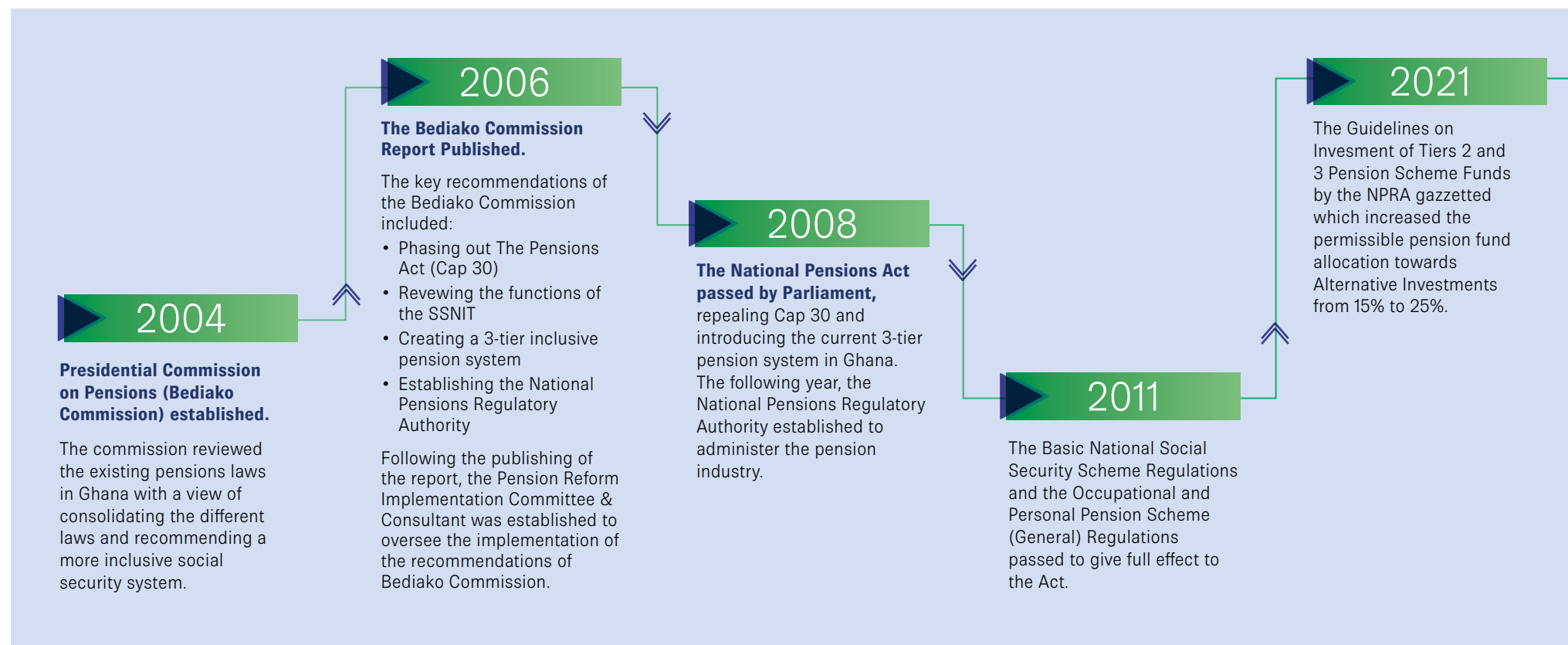
Underpinning this structure is a governance framework that ensures transparency, accountability, and the safeguarding of pension assets involving Trustees and service providers such as Pension Fund Managers and Custodians. Trustees serve as the principal fiduciaries, responsible for ensuring the management of pension funds in the best interest of the contributors. Pension Fund Managers, licensed by the Securities and Exchange Commission (SEC), are responsible for investing pension assets in accordance with the National

Pensions Regulatory Authority's (NPRA) investment guidelines, which aim to balance risk and returns for contributors. Custodians, who are typically licensed financial institutions, hold pension assets and settle investment transactions independently, adding a critical layer of security and operational integrity. At the centre of Ghana's pension ecosystem is the NPRA, which plays a pivotal role in regulating and promoting the development of the industry. Its oversight of Trustees, Fund Managers, and Custodians ensures a disciplined and transparent operating environment that supports the growth of pension assets and investor confidence.

Far beyond its role as a social safety net, Ghana's pension system functions as a strategically structured capital formation vehicle. With increasing assets under management and a regulatory environment that supports private sector participation, the pension fund industry stands as a vital engine for financing infrastructure, private sector expansion, and broader economic development.



Figure 2: **Timeline of Key Regulatory Changes Affecting Ghana's Pension Fund Industry**



1.2 Pension Fund Exposure to Private Capital in Ghana

Ghana's pension industry has emerged as a significant reservoir of domestic institutional capital, with assets under management more than doubling over the past five years driven by a 3x growth in private pension assets. At the end 2024, total pension assets stood at GHS86.4bn, with privately managed schemes under Tier 2 and Tier 3 accounting for 74% of the total, an indication of the growing role of private sector actors in long-term capital mobilisation.

Despite this expansion, there is little diversification in the allocation of pension assets which remain heavily concentrated in government securities, which accounted for 72.9% of total investments in 2024, just shy of the regulatory ceiling of 75%. Bank securities accounted for the next largest share at just 8.6%, with the remaining invested across Cash, Local Government Securities, Collective Investment Schemes and Corporate Debt Securities. Private capital exposure, while improving, remains marginal. In 2024, only 1.1% of total pension assets were allocated to alternatives, including private equity, private debt, infrastructure, and real estate.

This conservative allocation approach persists despite progressive reforms by the NPRA aimed at encouraging diversification. In 2016, the NPRA amended the Pension Investment Guidelines, expanding the list of permissible alternative investments and opening the door for pension funds in the country to invest in Private Equity and Real Estate Investment Trusts (REITs). A subsequent reform in 2021 added Private Debt and Infrastructure Funds to the list of alternative asset classes, while also increasing the regulatory cap on alternatives from 15% to 25%.

Figure 3: **Evolution of Pension Assets under Management (GHSbn) in Ghana, 2020-2024**

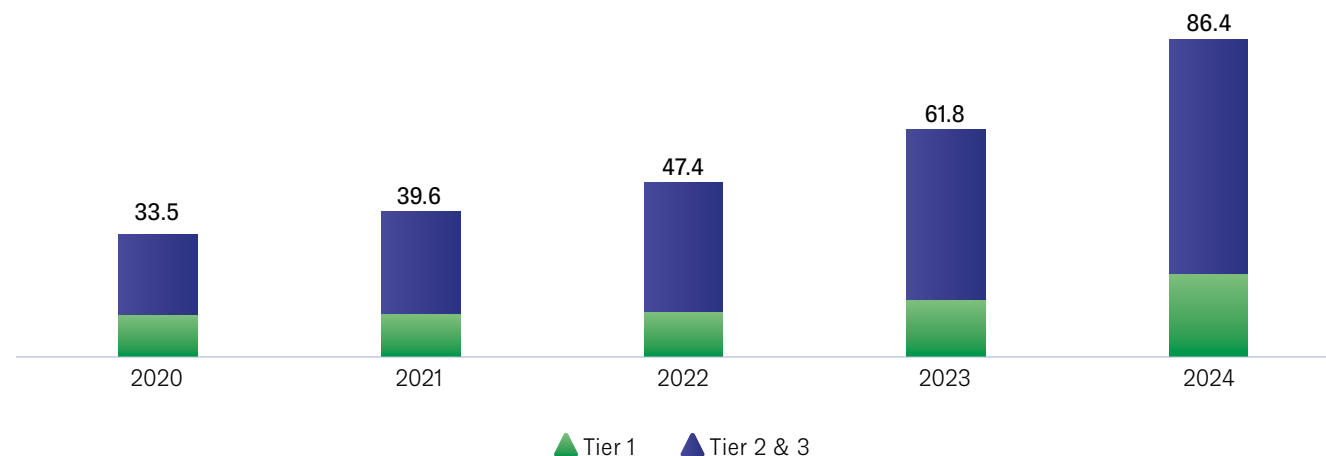
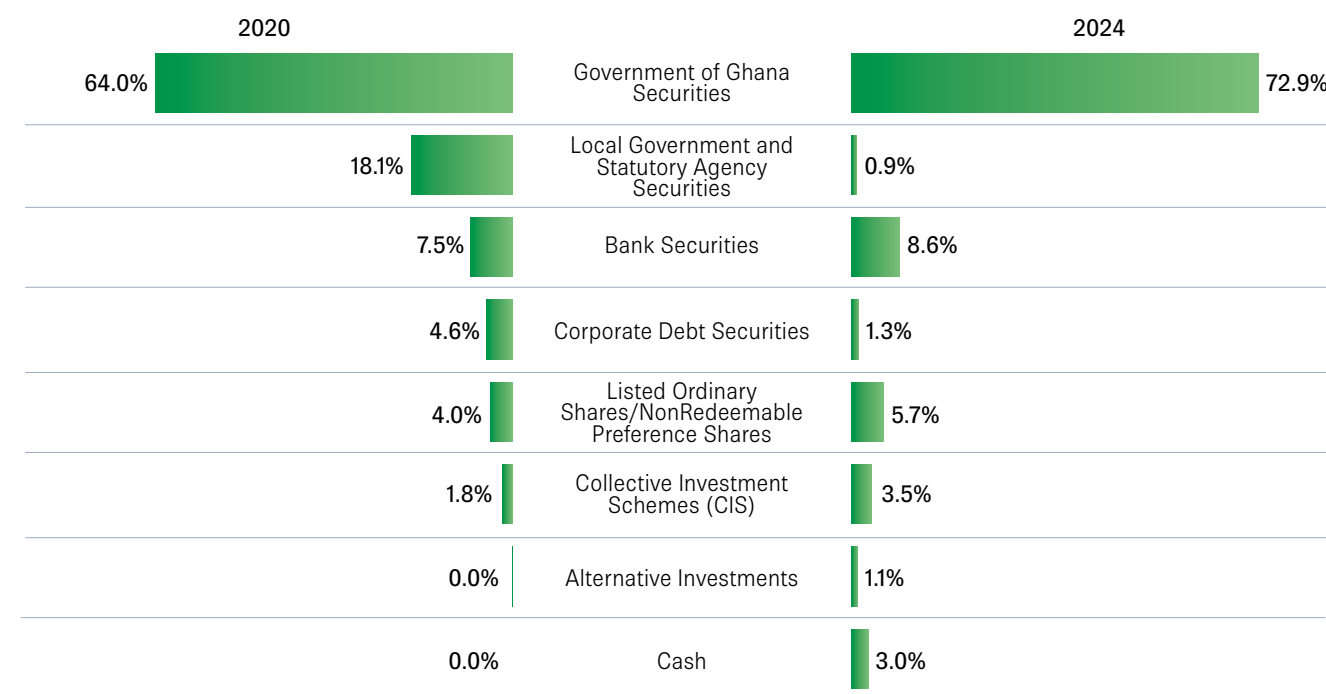


Figure 4: **Evolution of Pension Fund AUM Allocation in Ghana by Asset Class, 2020 & 2024**



Notably however, the structure of the cap (which is spread across multiple asset classes), dilutes the effective allocation to any single category, limiting the scale of investment in private capital. In contrast, peer markets such as South Africa and Nigeria have adopted more targeted regulatory frameworks, enabling pension funds to allocate up to 15% specifically to private equity and 45% to infrastructure in South Africa, and 10% and 20% respectively in Nigeria⁴. This regulatory fragmentation in Ghana presents both a challenge and an opportunity. While it constrains pension funds from making meaningful allocations to private capital, it highlights the need for legislative reform which introduces targeted, category-specific allocation caps for private capital investments.

Figure 5: **Regulations Shaping Ghana's Pension Fund Industry's Investments, 2021**

Indicator	Regulatory Framework
Permitted Asset Classes & Maximum Allocations⁵	• Government of Ghana Securities Maximum allocation of 75% of Pension Fund's assets • Local Government and Statutory Agency Securities Maximum allocation of 25% of Pension Fund's assets • Corporate Debt Securities Maximum allocation of 35% of Pension Fund's assets • Bank Securities Maximum allocation of 35% of Pension Fund Assets • Collective Investment Schemes Maximum allocation of 15% of Pension Fund's Assets • Alternative Investments Maximum allocation of 25% of Pension Fund's Assets

Source: NPRA, AVCA



1.3 Regional Comparison of Pension Fund Exposure to Private Capital

Despite the structural maturity of Ghana’s pension system and its growing asset base, the allocation of pension capital to private markets remains below potential. As mentioned earlier, Ghana’s pension funds currently allocate only 1.1% of total assets to alternatives, reflecting the broader underutilisation of long-term domestic capital in supporting the country’s private sector development and economic transformation. This subdued allocation is not unique to Ghana. In South Africa, home to the continent’s largest pension industry, private equity accounted for just 0.8% of pension assets in 2023⁶ (the latest data available), while Kenya recorded a similarly low allocation of 0.7%⁷ in 2024. However, when viewed

through the lens of utilisation relative to regulatory limits, Ghana’s position reveals significant untapped potential.

Under current regulations, pension funds in Ghana are permitted to allocate up to 25% of their assets to alternative investments, which include private equity and infrastructure. However, the actual utilisation rate currently stands at just 4.4%, translating to approximately US\$50mn in allocations to alternative investments. In contrast, Kenya and South Africa, with lower regulatory caps of 10% and 15% respectively, have achieved higher utilisation rates of 7.0% and 4.7%. Nigeria presents

a particularly compelling benchmark: with the country’s previous conservative 5% cap, pension funds reached a 34% utilisation rate, demonstrating a more proactive approach to deploying pension capital into alternative assets.

This underutilisation offers Ghana a strategic opportunity. If the full 25% allocation cap were utilised, Ghana’s pension funds could unlock over US\$1bn towards investments in alternatives. Such capital mobilisation would not only enhance portfolio diversification and returns for pension contributors but also catalyse broader economic development through increased private sector investment.

Figure 6: Regional Benchmark of Pension Fund Allocation Trends Towards Alternatives Across Different Key Markets in Africa, 2024

	Country	Regulatory Authority	Total Pension Assets Under Management (Local Currency, US\$, bn)	Maximum Allocation to Alternatives ⁸ (%)	Current Allocation to Alternatives (%)	Maximum Allocation to Alternatives (Local Currency, US\$, bn)	Current Allocation to Alternatives (Local Currency, US\$, bn)	Alternatives
REGIONAL MARKETS (WEST AFRICA)	Ghana	National Pension Regulatory Authority	GHS 63.9 USD 4.3 ⁹	25%	1.1%	GHS 16.0 USD 1.1	GHS 0.7 USD 0.05	Private Equity, Private Debt, Infrastructure, Real Estate Investment Trusts (REITs) and Others
	Nigeria	National Pension Commission	NGN 22,512 ¹⁰ USD 14.7 ¹¹	10%	1.7%	NGN 2,251 USD 1.5	NGN 383 USD 0.2	Private Equity
CORNERSTONE MARKETS	Kenya	Retirement Benefits Authority	KES 2.3 ¹² USD 17.5	10%	0.7%	KES 0.2 USD 1.8	KES 0.02 USD 0.1	Private Equity & Venture Capital
	South Africa	Financial Sector Conduct Authority	ZAR 5.8 USD 309 ¹³	15% ¹⁴	0.8%	ZAR 0.9 USD 46.4	ZAR 0.05 USD 2.5	Private Equity

Source: NPRA, PENCOM, RBA, FSCA, AVCA

1.4 Looking Ahead

As Ghana's pension industry continues to mature, its strategic focus is shifting away from asset accumulation toward portfolio diversification. With allocations still heavily concentrated in government securities, there is growing momentum to rebalance portfolios and expand exposure to alternative assets.

In a landmark move to deepen institutional participation in private markets, the Government of Ghana in 2025 issued a directive requiring all pension funds and insurance companies to allocate a minimum of 5% of their assets to private equity and venture capital funds by 2026¹⁵. Based on estimated private pension assets of GHS63.9bn in 2024, this mandate would unlock a minimum allocation of approximately GHS3.2bn (US\$218mn), a meaningful injection into Ghana's private capital ecosystem. To contextualise, this would represent a 20% increase relative to the total US\$1bn invested in private capital in Ghana over the past five years, and an 85% uplift compared to the 2016–2024 fundraising levels achieved by Ghana-focused fund managers. This scale of mobilisation could

significantly strengthen the capital base of local fund managers, enhance deal flow, and accelerate investment into high-impact sectors such as infrastructure, healthcare and SMEs. It also signals a broader policy recognition of the strategic role pension funds can play in financing private sector development, particularly in markets where long-term capital remains scarce.

However, realising this potential will require more than policy directives. Ghana's pension industry must overcome a set of structural barriers that continue to constrain capital deployment into private capital. These include the risk perception associated with the asset class, pipeline limitations, and capacity constraints among pension fund managers. Looking ahead, the evolution of Ghana's pension industry will depend on the strength of its enabling environment and stronger institutional partnerships between pension funds and private capital managers. If these conditions are met, Ghana's pension funds could emerge as a cornerstone in building a deeper, more resilient private capital market.



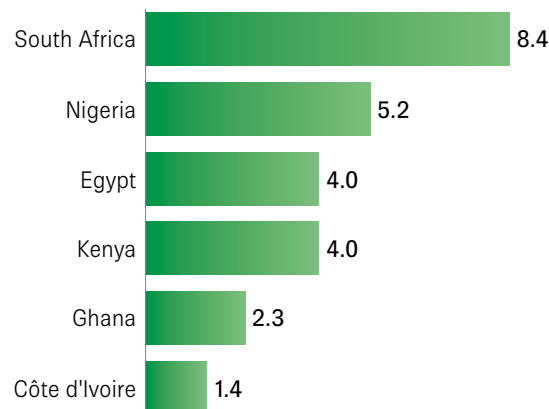
Pension Fund Allocation to Private Capital

2.1 Private Capital Market Size

Ghana's private capital market remains nascent in scale but shows signs of strategic potential. Between 2016 and 2024, Ghana-focused funds secured just US\$0.3bn in final closes, significantly trailing Africa's cornerstone markets – South Africa (US\$6.4bn), Nigeria (US\$2.3bn), Egypt (US\$0.7bn), and Kenya (US\$0.6bn). This fundraising gap persists despite Ghana's growing pool of domestic institutional capital. Between the periods, 2016–2018 and 2022–2024, Ghana-focused fundraising halved, while private pension assets grew 61%, underscoring a disconnect between capital accumulation and deployment into private markets.

Investment activity further reflects Ghana's modest market scale. From 2016 to 2024, Ghana attracted US\$2.3bn in private capital deals, significantly below the values recorded in South Africa (US\$8.4bn), Nigeria (US\$5.2bn), Egypt (US\$4.0), and Kenya (US\$4.0bn). These market form Africa's "Big Four" in terms of private capital activity, driven by their larger economies, deeper financial ecosystems, and more established fund manager networks. Ghana's performance, while trailing these leading hubs, remains notable within the West African context, outpacing Côte d'Ivoire (US\$1.4bn) – the region's second-largest economy after Nigeria. This positioning underscores Ghana's status as a secondary hub in Africa's private capital landscape, with potential to scale further as regulatory reforms and domestic capital mobilisation continue to evolve.

Figure 7: **Total Private Capital Deal Value in Ghana vs Selected Africa Peers, 2016–2024, US\$bn**



Source: AVCA databases

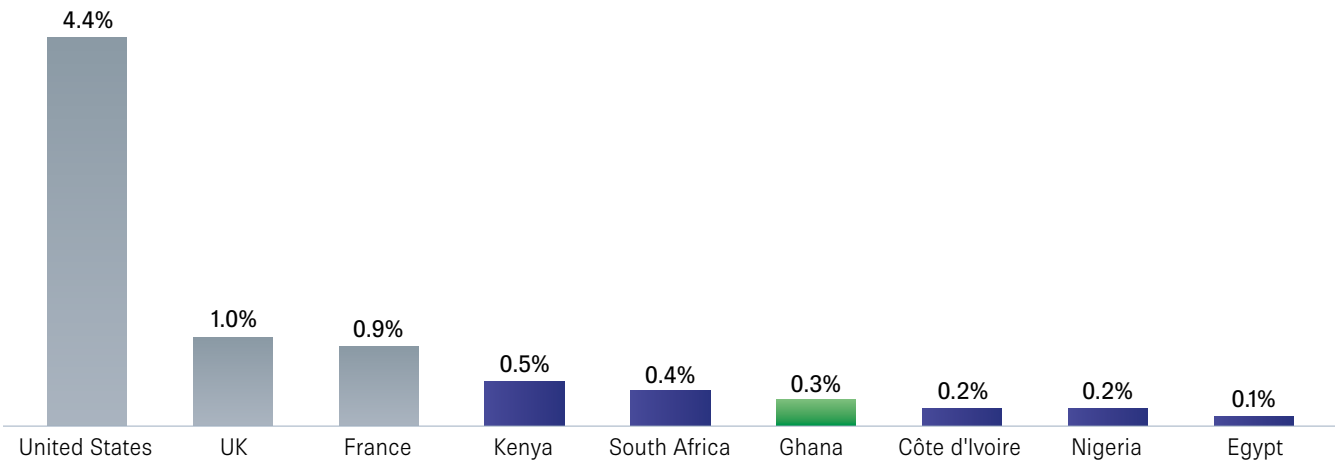


However, when adjusted for economic size, Ghana’s private capital market reveals a stronger relative performance, within the Africa context. Between 2020 and 2024, the country’s private capital penetration rate (defined as total deal value as a percentage of GDP) averaged 0.3%. This placed it ahead of Côte d’Ivoire (0.2%), Nigeria (0.2%), and Egypt (0.1%), but still below Kenya (0.5%) and South Africa (0.4%), Africa’s most penetrated markets. This metric highlights Ghana’s capacity to absorb private capital efficiently relative to its economic scale, suggesting that investor interest is materialising despite the country’s smaller absolute market size.

Ghana’s relative performance signals progress in embedding private capital into the economic landscape, while also highlighting significant room for growth. On the other hand, Nigeria’s low penetration rate reflects the challenges of deploying capital in a large but complex market. Meanwhile, higher penetration in South Africa is underpinned by the country’s mature financial infrastructure and long-standing institutional investor base, while Kenya’s performance underscores the catalytic role of a vibrant venture capital ecosystem in driving capital flows.

Looking ahead, Ghana’s private capital market is at an inflection point. While progress has been made in integrating private capital into the economy, unlocking its full potential will require targeted reforms to strengthen fund manager capacity, improve regulatory alignment, and mobilise domestic capital. With the right interventions, Ghana is well-positioned to grow its position as a leading private capital hub in West Africa, leveraging its growing institutional base and sectoral strengths to mobilise investment at scale.

Figure 8: **Average Private Capital Penetration Rates, 2020–2024**



Source: AVCA databases, GPCA, Invest Europe, Pitchbook, IMF, AVCA calculations



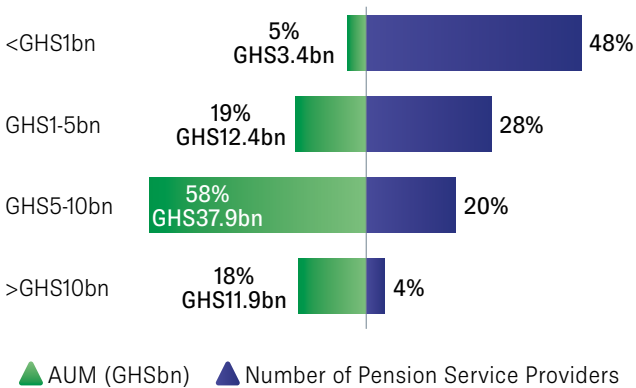
2.2 Pension Fund Exposure and Allocation to Private Capital

Understanding Ghana Pension Ecosystem

As previously noted, Ghana’s pension industry has seen substantial asset growth, positioning pension funds as central actors in domestic capital mobilisation. However, beyond scale, the structural composition of the industry plays a pivotal role in shaping investment outcomes. This is demonstrated by the responses to AVCA’s Pension Funds and Private Capital in Ghana Survey, conducted for this report. A total of 25 pension service providers participated, with combined assets under management of GHS65.6 billion¹⁶. The sample includes 13 of the 41 licensed Pension Fund Managers (32%) and 12 of the 29 licensed Corporate Trustees (41%)¹⁷, representing 63% and 82% of their respective market shares. This coverage offers a credible and representative lens into the asset allocation dynamics shaping Ghana’s pension ecosystem.

The market remains highly concentrated, with a small number of Pension Fund Managers and Corporate Trustees controlling the bulk of assets. As of H1 2024, less than a quarter (24%) of pension service providers each managed over GHS5 billion yet collectively accounted for 76% of total assets under management (AUM). In contrast, nearly half (48%) of providers managed less than GHS1 billion, representing just 5% of total AUM. This imbalance has strategic implications: the preferences, risk appetite, and operational capacity of dominant players tend to shape broader industry allocation patterns, while smaller institutions often face constraints in pursuing diversified or alternative strategies.

Figure 9: **Distribution of Pension Funds, by AUM in GHS, 2024 H1**



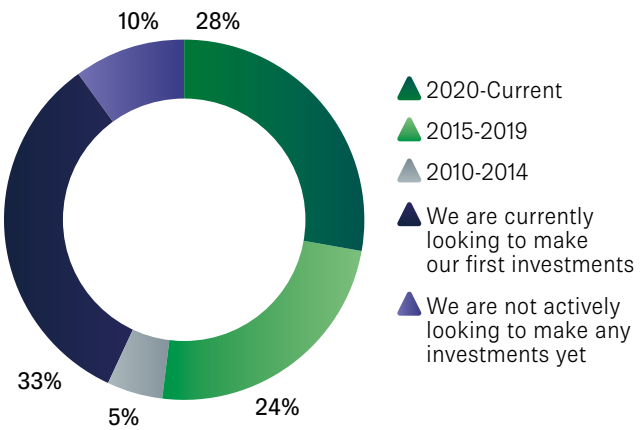
Source: NPRA, SEC, AVCA survey



Pension Fund Allocation to Private Capital

Although Ghana’s pension industry remains largely anchored in traditional assets such as government securities, interest in private capital is gaining traction. 57% of survey respondents reported some exposure to private capital, a notable milestone in a market where alternatives are still emerging. This engagement is relatively recent: 28% began investing between 2020 and 2024, while 24% entered the space between 2015 and 2019. Encouragingly, the pipeline is expanding, with 33% of respondents actively seeking their first private capital investment, reflecting a broader shift in mindset as pension providers begin to explore private capital as part of long-term diversification strategies.

Figure 10: Distribution of Pension Funds, by Year of First Investment in Private Capital

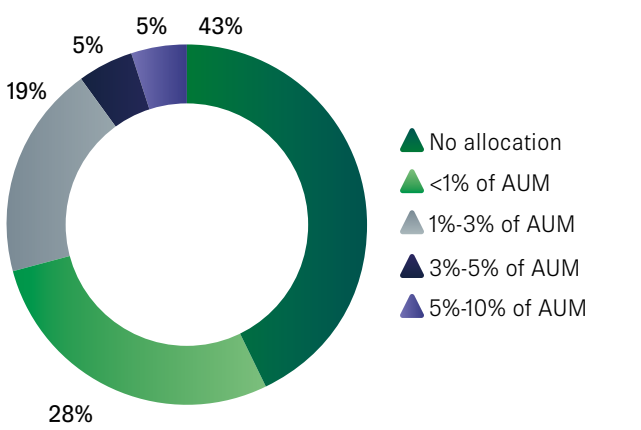


Source: AVCA survey

While Ghana’s trajectory is still developing, regional peers such as Nigeria offer useful reference points. By 2021, a majority of Nigerian pension funds (75%) had already made allocations to private equity, illustrating how early regulatory clarity and market development can accelerate institutional engagement with the asset class.

Despite increasing interest, actual allocations to private capital remain marginal in Ghana. As of H1 2024, survey respondents made combined commitments of GHS340 million (US\$23 million), which represented 0.5% of their total AUM and was significantly below the 25% allocation cap permitted

Figure 11: Distribution of Pension Funds, by Private Capital Allocation



Source: AVCA survey

by the National Pensions Regulatory Authority (NPRA) for alternative investments (including private capital). Among pension funds who have allocated, the majority invested less than 1% of their AUM, while 19% allocated between 1–3%.

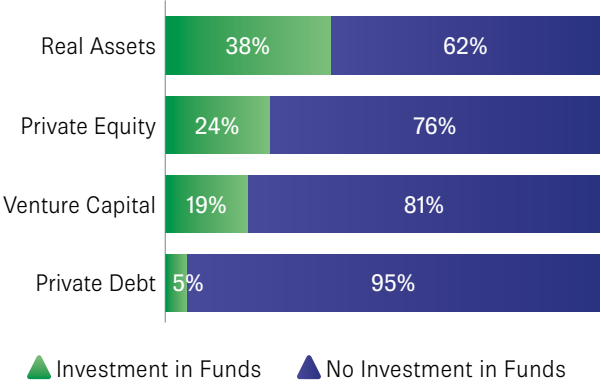
This gap between permitted thresholds and actual allocations highlights a strategic opportunity. As pension providers gain experience and confidence in the asset class, and as regulatory and market enablers mature, there is scope to scale allocations in line with long-term portfolio objectives.



Pension Fund Allocation by Asset Class and Geography

Ghanaian pension funds are showing growing interest in alternative asset classes, with a clear preference for tangible and long-duration investments. According to AVCA's Pension Funds and Private Capital in Ghana Survey, allocations were strongest in Real Assets (38%), followed by Private Equity (24%) and Venture Capital (19%). Notably, Real Assets stood out as the only category where at least 5% of respondents had allocated between 10% and 20% of their portfolio, a trend likely driven by Ghana's buoyant property market¹⁸ and the perceived stability of physical assets.

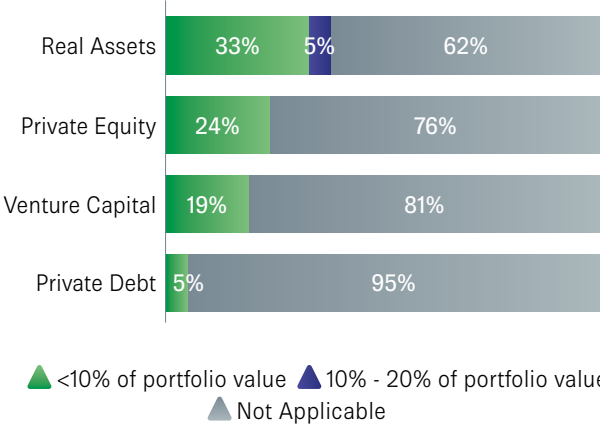
Figure 12: **Distribution of Pension Funds, by Asset Class Allocation, 2024 H1**



Source: AVCA survey

From a geographic allocation perspective, pension funds remain entirely domestic in their private capital exposure. As of H1 2024, all respondents with allocations to private capital had invested exclusively within Ghana. This is shaped by regulatory constraints: while the NPRA permits up to 5% of AUM to be invested in foreign securities, private capital allocations are restricted to funds licensed by Ghana's Securities and Exchange Commission (SEC).

Figure 13: **Distribution of Pension Funds, by Share of Portfolio Value Allocated, by Asset Class, 2024 H1**



Source: AVCA survey



2.3 Case Studies

Oasis Africa Fund II (OAF II)

Fund manager: Oasis Capital Ghana

Fund currency: USD

Fund Size: US\$100mn (target)

Launch date: January 2023

Status: First close (July 2024)

Target investment size: US\$1mn–10mn

Notable investments in Ghana: None disclosed yet

OAF II is a venture capital fund from Oasis Capital Ghana, with an impact-driven investment strategy. It targets investments in Education, Healthcare, Financial Services, Housing & Hospitality, and Food Services across West Africa, chiefly in Ghana and Côte d'Ivoire.

While no investments have yet been announced, OAF II will build on the work of Oasis Capital's previous funds – the US\$11mn Ebankese Venture Fund (EVF) and the US\$50.5mn Oasis Africa Fund I (OAF I) – whose Ghana-based investments include SINEL Specialist Hospital, Legacy Girl's College, and Axis Pension Trust. This bodes well for the continued development of socially beneficial institutions, like health and education centres, and demonstrates how private capital can also back local pension players.

Investors in this OAF II include Axis Pension Trust, CAL Asset Management Company, Databank Financial Services, Petra Trust, Stanbic Investment Management, and Standard Pensions Trust.

Injaro Ghana Venture Capital Fund (IGVCF)

Fund manager: Injaro Investment Advisors

Fund currency: GHS

Fund Size: US\$17.6mn

Launch date: September 2022

Status: Final close (December 2023)

Target investment size: US\$0.8–1.2mn

Notable investments in Ghana: Zeepay, DDP Outdoor

IGVCF is a local currency, multi-sector venture capital fund managed by Injaro Investment Advisors, targeting high-growth SMEs in Mining Support Services, Food & Agribusiness, Education, Healthcare, Inclusive Financial Services, Industrial Services, and Light Manufacturing in Ghana and Côte d'Ivoire. With a disciplined mandate, anchoring quality investments and investor confidence, IGVCF invests only in companies that meet stringent screening criteria, including revenue $\geq$ GHS20mn, EBITDA $\geq$ GHS3.5mn, Debt/EBITDA ratio $\leq$ 3.5x, and at least 3 years of operating track record.

Among its investments, in March 2024 the fund made a US\$2mn equity stake in Ghanaian FinTech, Zeepay, as part of a wider US\$14mn syndicated deal. The investment will help deepen financial inclusion, supporting Zeepay as it enables affordable remittances and mobile payments for millions of banked and unbanked people in Ghana.

Several local pension players have committed to this fund, including Axis Pension Trust, CAL Asset Management Company, Databank Financial Services, Petra Trust, and Stanbic Investment Management.

Mirepa Capital SME Fund I (MCSFI)

Fund manager: Mirepa Investment Advisors

Fund currency: USD

Fund Size: US\$10.5mn (target)

Launch date: August 2022

Status: Final close (December 2023)

Target investment size: US\$100,000–US\$2mn

Notable investments in Ghana: WamiAgro

MCSFI is a Ghanaian impact-oriented venture capital fund from first-time fund managers, Mirepa Investment Advisors. The fund targets investments in small and medium enterprises (SMEs) across the Agribusiness, Education, Financial Services, Healthcare, and Business Services sectors.

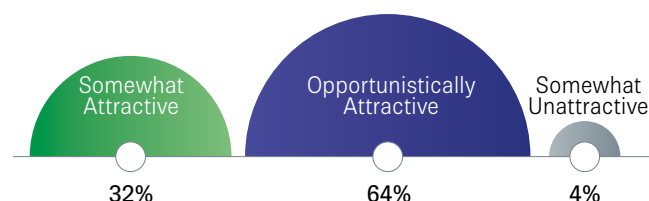
The fund is designed to back scalable Ghanaian businesses with large addressable local and international markets, particularly those capable of generating foreign exchange revenues for Ghana's economy. Exemplifying this, in June 2024 MCSFI invested in WamiAgro, a Ghanaian AgriTech company that provides tech-enabled solutions financial credit across the agriculture value chain. The investment will help WamiAgro's missions to enhance smallholder farmers' yields and incomes, support climate adaptation, and expand local agriculture's access to international markets to generate foreign exchange earnings. The company expects to impact 100,000 farmers by 2027.

Investors in this fund include Axis Pension Trust, CAL Asset Management Company, Petra Trust, and Stanbic Investment Management.

Factors Influencing Pension Fund Allocation to Private Capital

3.1 Pension Fund Appetite for Private Capital

Figure 14: Pension Funds' Appetite for Private Capital

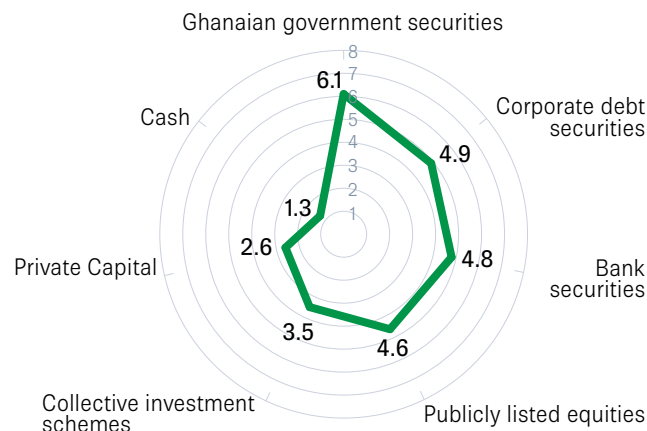


Source: AVCA survey

Ghanaian pension service providers are increasingly engaging with private capital, but their approach remains cautious and largely opportunistic. According to AVCA's Pension Funds and Private Capital in Ghana Survey, while nearly two-thirds of respondents expressed interest in alternative investments on an opportunistic basis, only 32% viewed them as somewhat attractive from a strategic standpoint. This sentiment is reflected in the low relative ranking of private capital compared to traditional asset classes, underscoring a broader lack of familiarity and comfort with the asset class.

Government securities remain the dominant investment preference, with 73% of respondents

Figure 15: Pension Funds' Top Investment Priority, Private Capital vs Traditional Investments*

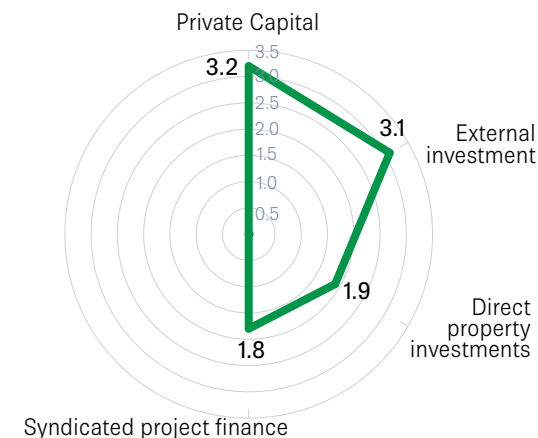


*A score of 1-7 represents the lowest priority to the highest priority investment, respectively

ranking them first, driven by their perceived safety, predictable returns, and high regulatory allocation cap. Corporate debt and bank securities followed, valued for their stable income profiles. In contrast, private capital ranked seventh, with 76% of respondents placing it sixth or seventh only ahead of cash in terms of preference.

However, when the focus narrows to alternative investments, private capital emerges as a clear priority. Within this category, 52% of respondents ranked private capital as their top choice, followed by external investments (i.e., non-Ghanaian assets) at 38%. This shift suggests that while private capital is still viewed cautiously in the broader portfolio

Figure 16: Pension Funds' Top Investment Priority within Alternatives*



*A score of 1-4 represents the lowest priority to the highest priority investment, respectively

context, it is increasingly recognised as a preferred alternative for long-term diversification.

The divergence between general portfolio preferences and alternative investment priorities highlights a strategic inflection point. As pension providers gain exposure and build internal capacity, private capital may transition from a marginal, opportunistic allocation to a more deliberate component of long-term investment strategy. Realising this shift will require targeted efforts to improve market education, strengthen governance frameworks, and align regulatory incentives with pension funds' evolving risk-return objectives.

3.2 Regulatory & Macroeconomic Drivers of Allocation

Regulatory Drivers

Recent reforms by the National Pensions Regulatory Authority (NPRA) have played a pivotal role in shaping pension providers' sentiment toward private capital. The 2021 revision of investment guidelines expanded the scope of permitted asset classes to include Private Debt and Infrastructure, marking a significant step toward modernising portfolio options. According to AVCA's *Pension Funds and Private Capital in Ghana Survey*, 65% of respondents reported improved perceptions of private capital following the reform, with many indicating stronger intentions to increase allocations over the next five years.

These findings underscore the importance of regulatory clarity and flexibility in unlocking institutional capital. By broadening the investable universe and signalling policy support for alternative assets, the NPRA has laid the groundwork for pension funds to diversify beyond traditional instruments. However, translating sentiment into sustained allocation growth will require continued regulatory engagement, streamlined licensing processes, and alignment with long-term portfolio objectives.

Macroeconomic Drivers

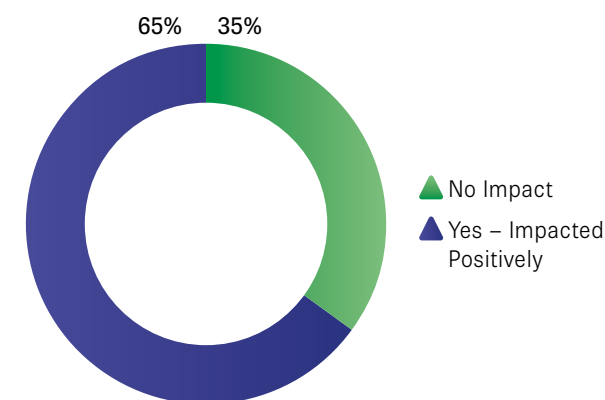
Macroeconomic conditions play a critical role in shaping how pension funds assess and allocate capital to private markets. The most frequently cited concern among survey respondents was exchange rate volatility, reinforced by the 59% depreciation of the Ghanaian Cedi against the US Dollar between end-2021 and mid-2024. This sharp decline heightened risk perceptions for pension providers with Cedi-denominated liabilities, prompting some to explore foreign-denominated funds as a hedge against further depreciation.

However, currency exposure introduces its own risks. Should the Cedi appreciate, returns on foreign-denominated investments may be adversely affected. This currency mismatch risk has tempered enthusiasm for private capital vehicles, which are typically structured in foreign currencies, and underscores the need for risk management tools and regulatory support to enable more confident cross-border investing.

Beyond FX concerns, GDP growth and inflation were jointly ranked as the next most influential macroeconomic factors. Strong GDP growth signals economic dynamism and a robust pipeline of investable opportunities, enhancing the appeal of private capital. Conversely, high inflation erodes real returns across traditional asset classes, making private capital relatively more attractive due to its historical resilience and long-term return potential.

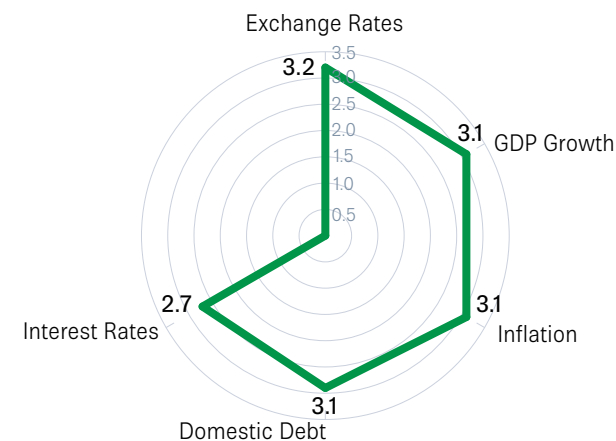
Together, these macroeconomic dynamics suggest that pension providers increasingly view private capital not only as a tool for capturing upside in a growing economy, but also as a buffer against inflation-driven value erosion. As Ghana's macroeconomic environment stabilises and investment frameworks evolve, private capital could become a more integral component of pension fund strategy.

Figure 17: **Impact of Increased Alternatives Limit on Sentiment**



Source: AVCA survey

Figure 18: **Macroeconomic Drivers to Pension Fund Investment in Private Capital***



*A score of 1-5 represents the least prioritised to the most prioritised consideration respectively

Source: AVCA survey

3.3 Barriers to Allocation

Market Barriers

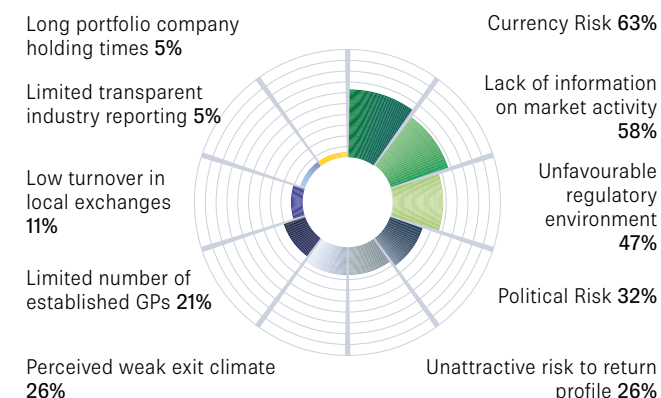
Despite growing interest, Ghanaian pension providers face a range of market barriers that inhibit meaningful allocation to private capital. Currency risk remains the most cited challenge, flagged by 63% of respondents, and echoed in AVCA's 2025 Investor Sentiment & Outlook report, where three-quarters of global LPs identified FX volatility as a key deterrent to African private capital exposure.

Beyond FX concerns, data opacity is a significant structural impediment. Over half of pension stakeholders (58%) cited the lack of reliable market activity data as a barrier to informed decision-making. Ghana's private capital ecosystem suffers from fragmented reporting, limited performance benchmarks, and insufficient transparency on

fund-level outcomes—issues that constrain due diligence and risk assessment. Recent efforts by AVCA and GVCA to publish baseline data represent a foundational move toward building a more robust evidence base for the industry.

While the exit environment was less frequently cited as a barrier (only 26% of respondents viewed it as a major barrier), its underlying importance should not be understated. The limited number of exits in Ghana's private capital market reflects the ecosystem's early stage and underscores the need for stronger secondary markets, strategic buyers, and policy support to improve liquidity and investor confidence.

Figure 19: **Market Challenges to Pension Fund Investment in Private Capital**



Source: AVCA survey

Regulatory Barriers

Designed to foster domestic capital mobilisation, Ghana's current regulatory framework has revealed implementation bottlenecks, as 47% of respondents cited restrictive investment rules as key structural barriers.

A key identified challenge lies in the ability of Ghanaian pension funds to invest in locally domiciled vehicles. Private Capital fund managers face prolonged and complex licensing processes, which discourage both domestic and international actors from setting up local funds, in turn, reducing pension funds' access to larger and more diversified investment opportunities.

Moreover, while NPRA guidelines permit up to 5% of pension fund assets to be invested offshore, implementation remains inconsistent with opaque presidential authorisation resulting in blocked cross-border transactions and prolonged approval processes. These constraints not only limit geographic diversification but also reduce access to high-performing foreign funds, placing Ghanaian pensions at a competitive disadvantage.

Finally, the absence of preferred fund structures, specifically Limited Partnerships (LPs), the standard GP-LP model central to private capital fund governance, was cited by 32% of respondents as an

additional regulatory gap, pointing to a regulatory gap that undermines tax efficiency and alignment with global best practices. Notably, GVCA and other local actors are advocating for the introduction of Limited Partnerships in Ghana.

As Ghana's private capital ecosystem matures, there may be a case for revisiting these regulatory restrictions to strike a balance between supporting local market development and enabling pension funds to diversify geographically and optimise risk-adjusted returns.

Structural Barriers

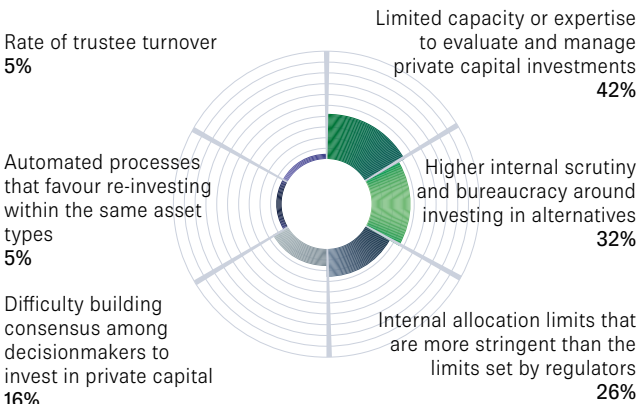
Internal capacity limitations remain a significant structural barrier to broader pension fund participation in private capital markets. 42% of respondents cited insufficient in-house expertise in evaluating and managing private capital investments, underscoring the need for targeted capacity-building in areas such as portfolio construction, risk assessment, and due diligence.

Among institutions facing these gaps, 86% expressed a preference for partnering with more experienced fund managers, specifically those with a track record of raising at least four funds. While this reflects a prudent approach to risk mitigation, it also mirrors global institutional trends where manager selection is heavily influenced by historical performance. However, this preference may inadvertently constrain early engagement with emerging managers.

Beyond technical skills, institutional processes themselves pose additional hurdles. Nearly a third of respondents (32%) reported heightened internal scrutiny around alternative investments, while 26% cited restrictive internal allocation limits, reflecting a conservative investment culture.

Collectively, these barriers suggest that unlocking pension capital will require more than external outreach from fund managers. A systemic effort to strengthen institutional confidence, through improved data transparency, tailored training programmes, and peer-to-peer learning is essential. Strategic collaboration between AVCA, the private capital ecosystem, and pension industry stakeholders will be critical to fostering informed decision-making and building long-term trust in the asset class.

Figure 20: **Structural Challenges to Pension Fund Investment in Private Capital**



Source: AVCA survey



Manager-related Barriers

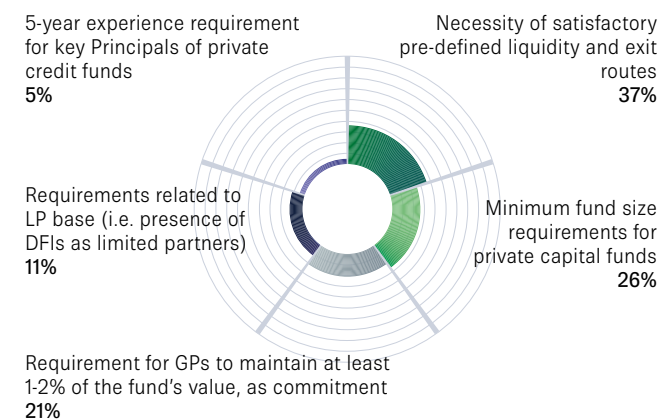
While interest in private capital is steadily rising among pension providers, GP-related barriers remain a critical part of the equation influencing institutional confidence and allocations. Among these, 37% of respondents identified the absence of a clear and credible exit strategy as a key deterrent. While the broader exit environment may not be perceived as a top-tier concern, pension providers nonetheless require greater visibility on the timing and mechanisms for return realization. This underscores the strategic imperative for fund managers to articulate exit pathways proactively, even in nascent markets. By demonstrating context-specific and realistic exit scenarios, GPs can strengthen institutional confidence and better align with pension fund risk frameworks.

Another critical barrier is limited GP outreach. In the past year, 89% of respondents engaged with fewer than three GPs seeking commitments, significantly

narrowing the field for relationship-building and due diligence. This lack of engagement not only restricts capital deployment opportunities but also impedes the development of long-term trust and understanding between asset owners and fund managers. While Ghana's fund manager base is still relatively small, there is a need for GPs to expand outreach and foster transparent dialogue with pension stakeholders is essential to unlocking institutional capital.

Interestingly, fund manager fees were cited as a challenge by only 16% of respondents, suggesting that cost concerns are secondary to market, regulatory, and structural barriers. For policymakers and market actors, this signals that addressing legal frameworks, improving transparency, and investing in capacity-building will likely yield greater impact in unlocking pension capital than fee compression alone.

Figure 21: **Eligibility Challenges to Pension Fund Investment in Private Capital**



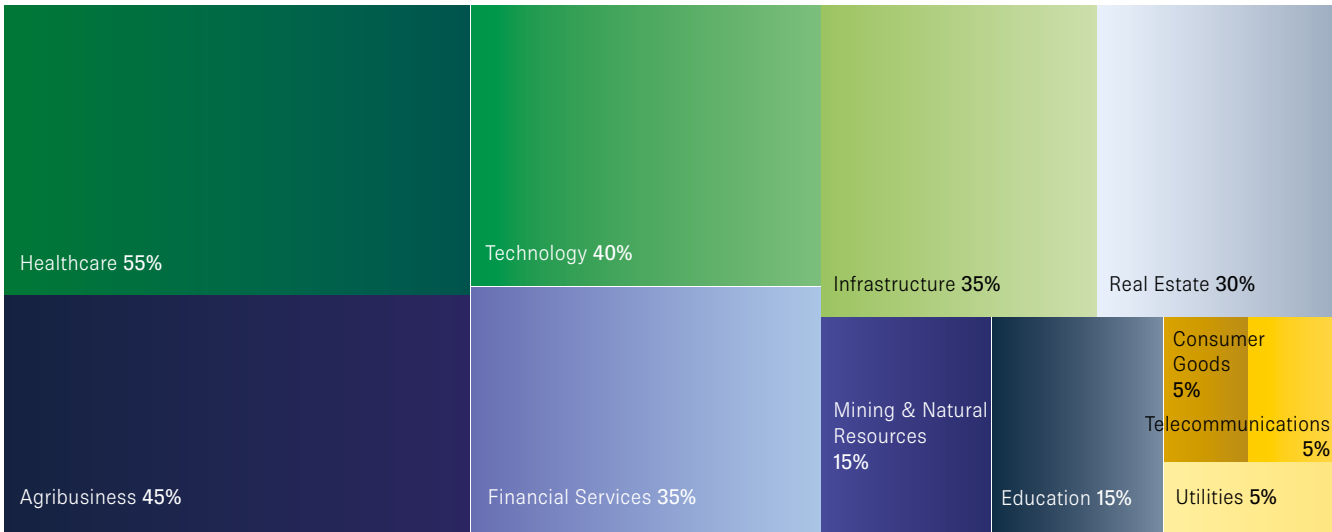
Source: AVCA survey



3.4 Investment Preferences

Sector & Strategy Preferences

Figure 22: Pension Fund Preferred Investment Sectors



Unlocking Healthcare Impact Through Pension Investment in Private Capital

Ghanaian pension service providers recognize Healthcare as a strategic sector offering not only resilient, long-term returns but also the opportunity to strengthen a critical pillar of national development. Despite outperforming many regional peers, Ghana’s health system remains under-resourced by global standards. The WHO’s Universal Health Coverage Index scored Ghana 48 out of 100 in 2021, above the African average (44) but well below the global benchmark (68)¹⁹. Fiscal constraints are a key factor as Ghana allocates less than half of the WHO’s recommended 5% of GDP to Healthcare²⁰, leaving a significant financing gap. This gap presents a clear opportunity for private capital, particularly pension-backed investment, to play a transformative role.

While Ghana has yet to see pension-backed healthcare infrastructure at scale, the policy landscape is shifting. The NPRA which recently mandated that at least 5% of pension assets be allocated to Private Equity and Venture Capital, identified health tech as a priority sector.

A regional precedent from Nigeria illustrates the potential. In 2018, InfraCredit guaranteed bonds issued by Viathan Engineering²¹, enabling pension funds to co-invest in expanding gas-powered electricity to Lagos Island Maternity Hospital. This resulted in improved service reliability, reduced energy costs, and enhanced healthcare delivery, demonstrating how pension capital can directly support health outcomes.

Sectoral preferences among Ghanaian pension service providers reflect a measured investment approach that balances risk-adjusted returns with long term developmental priorities. Survey data indicates a strong inclination toward sectors perceived to offer high social utility. Healthcare emerged as the top priority, with 55% of respondents ranking it among their top three sectors, followed by Agribusiness (45%) and Technology (40%). These preferences mirror trends in Nigeria²², where Infrastructure (87%), Healthcare (67%), and Agribusiness (53%) led investor interest. The cross-market alignment suggests a deliberate effort by pension funds to align investment strategies with socio-economic priorities.

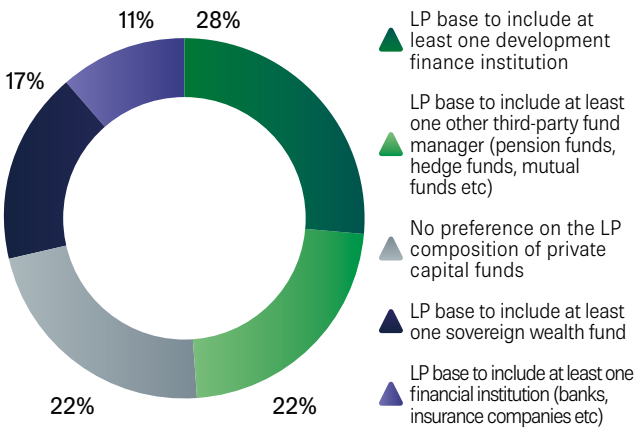
In Ghana, the preference for Healthcare is further supported by the country’s relatively robust national health insurance framework²³ and sustained public investment in medical infrastructure²⁴. Among respondents prioritising Healthcare, 20% explicitly cited the need to strengthen national health systems, underscoring a clear intent to align investment outcomes with social imperatives.

Investor base composition was another key consideration in fund selection. A significant majority (78%) expressed preferences regarding co-investors, with 28% favouring funds anchored by Development Finance Institutions (DFIs), valuing their de-risking role and signalling confidence in blended finance structures. An additional 22% preferred to invest alongside at least one other third-party fund manager, citing the benefits of shared due diligence and strategic alignment. These preferences are consistent with findings from

AVCA's Pension Funds and Private Capital in Nigeria study, where pension funds similarly prioritised DFIs, followed by third-party managers and sovereign wealth funds.

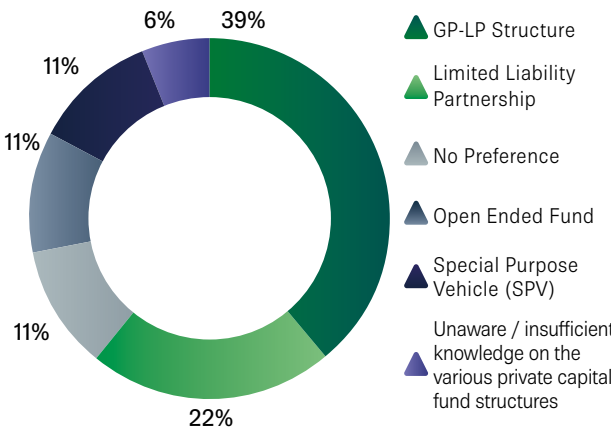
When it comes to private capital fund structures, the bulk of pension players (39%) preferred the typical GP-LP fund structure, while 22% preferred a limited liability partnership (LLP). A further 11% each favoured open-ended funds and special purpose vehicles. Yet, Ghanaian law does not currently recognise Limited Partnerships – which are distinct from LLPs, underpin the GP-LP model and provide specific tax advantages – creating a regulatory mismatch between investor preferences and the available legal framework. While LLPs may also offer tax advantages, they lack the GP-LP distinction essential to fund governance and alignment with global standards.

Figure 23: Pension Funds' Preferred Investor Base



Source: AVCA survey

Figure 24: Pension Funds' Preferred Fund Structures



Source: AVCA survey



Manager Selection Preferences

As Ghanaian pension funds cautiously expand into private capital, fund manager profile is emerging as a decisive factor in allocation decisions. Beyond investment themes, pension providers are scrutinising the people and platforms managing their capital, with experience and track record leading the evaluation criteria.

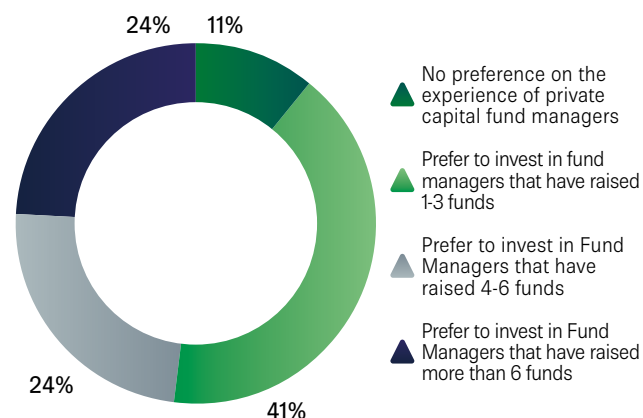
Fundraising history carries particular weight. While 42% of respondents had no fixed preference on fund size, nearly half (48%) favoured GPs with a history of raising four or more funds. This reflects a belief that seasoned managers are better equipped to manage risk, access quality deal flow, and deliver consistent returns.

Interest in emerging managers is present but cautious. 41% of respondents favoured GPs with 1–3 funds, yet this interest is concentrated among those not currently invested in private capital, suggesting that familiarity with the asset class tempers enthusiasm for less established players. Only 17% of Ghanaian pension firms have backed a first-time fund in the past five years, compared to 40% in Nigeria, underscoring Ghana's more conservative stance.

Track record remains the most influential selection criterion, cited by 72% of respondents, followed by the strength of prior working relationships among GP team members (50%).

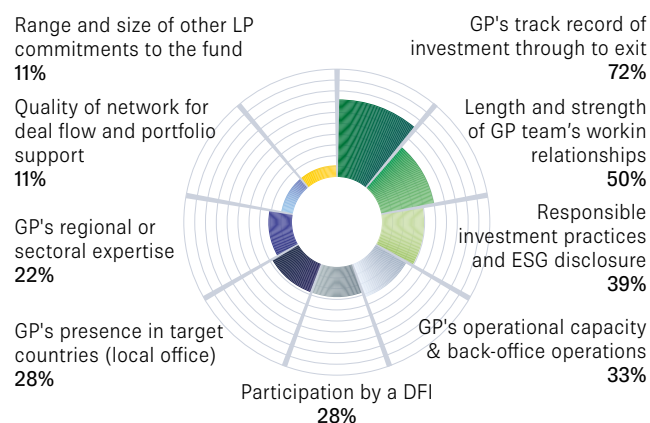
Finally, data transparency reinforces these preferences. Among those prioritising track record, 62% also cited the lack of market activity information as a barrier to scaling private capital allocations. This underscores the value pension funds place on quantifiable performance and reliable benchmarks to support data-driven investment decisions.

Figure 25: **Pension Funds' Preferred GP Experience**



Source: AVCA survey

Figure 26: **Pension Funds' Criteria for Evaluating GPs**



Source: AVCA survey

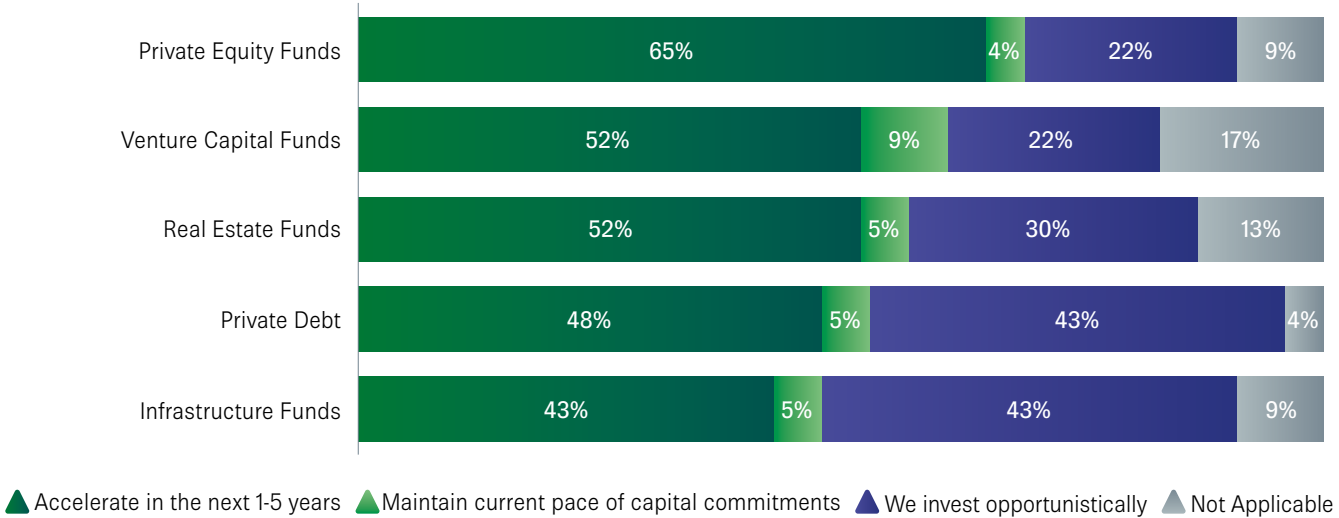


3.5 Looking Ahead

Ghana’s pension industry remains in the early stages of private capital allocation, but the outlook is cautiously optimistic. A majority of survey respondents plan to increase exposure over the next five years, with Private Equity leading the way: 65% expect to boost allocations, nearly half within the next 1–2 years. Venture Capital and Real

Estate Funds also feature prominently in future plans. Importantly, no respondents intend to reduce exposure, though many will continue investing opportunistically, particularly in less familiar vehicles such as Private Debt and Infrastructure, which are approached more conservatively.

Figure 27: **Private Capital Allocation Plans (Next 5 Years)**



Source: AVCA survey

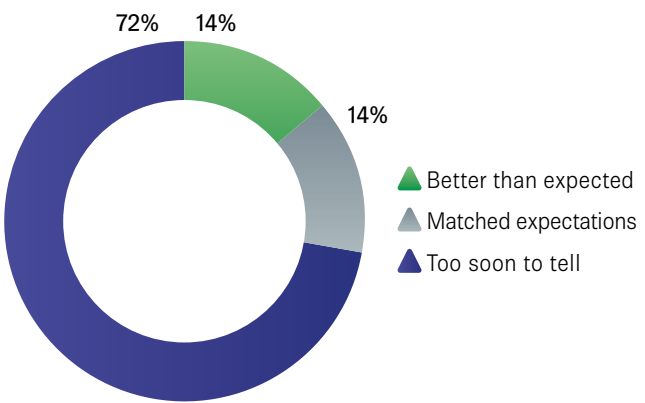


Investor motivations are clear. Portfolio diversification was cited by 96% of respondents as the primary driver, reflecting a desire to rebalance portfolios heavily concentrated in government securities. Other key factors include private capital's risk-return profile (74%) and performance potential (61%). Among those prioritising risk-return, two-thirds expect to achieve returns above 2.5x within five years, signalling rising confidence in the asset class.

While performance assessments remain early-stage, sentiment is improving. 72% of current investors noted it was too soon to evaluate returns, but the remaining 28% reported outcomes that met or exceeded expectations. Of those, 62% achieved returns between 1.0x and 2.5x. Longer-term expectations are more ambitious: 38% anticipate returns above 4.0x over the next decade.

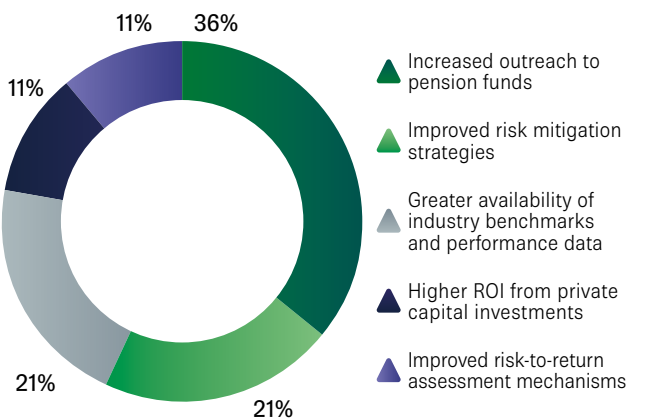
Beyond performance, GP engagement and transparency emerged as critical factors for pension fund confidence. 36% of respondents prioritised increased outreach from fund managers, while 21% each cited stronger risk mitigation and access to performance benchmarks. Notably, these relational and transparency-focused measures were valued more than marginal improvements in returns—underscoring the importance of trust and data in unlocking pension capital.

Figure 28: Private Capital Performance, Achieved vs Expectations



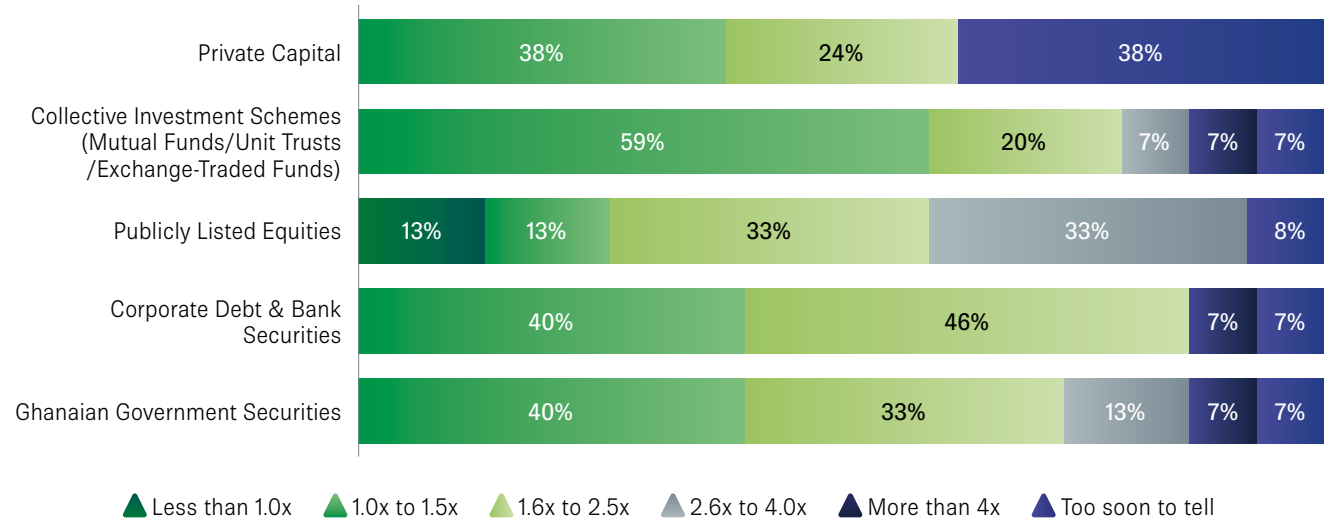
Source: AVCA survey

Figure 29: Pension Funds' Preferred GP Strategies for Attracting Local Capital



Source: AVCA survey

Figure 30: Pension Funds' Portfolio Performance, by Asset



Source: AVCA survey

Bridging the Gaps: Strategies to Unlocking Pension Capital

As Ghana's pension industry deepens its engagement with private capital, attention is shifting toward the practical enablers of sustained participation. This requires moving from broad ambition to targeted execution, addressing practical barriers and strengthening collaboration between key stakeholders.

This section draws on insights from interviews with Corporate Trustees and Pension fund managers. It presents a set of actionable recommendations designed to improve alignment between the pension and private capital industries, fostering a more enabling investment environment.

1. Improving Market Access For Pension Funds

Limited access to reliable market data continues to constrain Ghanaian pension service providers' ability to engage meaningfully with private capital. Pension providers cited a lack of visibility into fund performance, market activity, and exit outcomes, making it difficult to evaluate opportunities and make informed allocation decisions. Respondents reported insufficient engagement from private capital fund managers, unclear value propositions, and limited transparency around track records and investment strategies. This information asymmetry remains a critical barrier to building trust and unlocking sustained pension participation in private capital markets.

The Bridge: Industry Stakeholders to Improve Access to Credible Market Data

"Information on private capital is not readily available, allowing negative perceptions towards the asset class to persist. Lacking publicly available data also makes it difficult for pension funds to assess opportunities and allocate, especially those that are not very familiar with the asset class." – Pension Fund Manager 1

Strengthening pension fund confidence in private capital requires better access to consistent, credible market data. Key information needs include the size and composition of the local market, fund commitments, deal activity, exit trends, and historical performance.

Industry bodies such as AVCA and GVCA, which already play a central role in market research and advocacy, are well-positioned to help bridge this gap. By tailoring outputs to the specific needs of pension service providers, through regular reporting series, concise factsheets, and practical investment guides, these organisations can enhance transparency and support more informed decision-making.





The Bridge: GPs Must Tailor Strategies to Align with Pension Fund Priorities

“To become more attractive to pension funds, GPs need to identify their areas of interest and investment focus, and tailor to them. Winning pension capital means engaging them, understanding their investment priorities, and aligning the fund with their goals; rather than catering solely to the anchor investors.”

– Corporate Trustee 1

To unlock pension allocations, fund managers must actively engage with pension firms to better understand and accommodate their investment preferences. This may require adjustments to fund structure and communication strategies to align with pension-specific needs.

For example, fund managers can explore parallel fund structures to attract pension capital from funds with diverse currency preferences. Another practical adaptation is the inclusion of debt instruments within blended strategies, which can generate steady interest income throughout the fund lifecycle. This approach helps smooth the J-curve and supports capital preservation, key considerations for pension service providers operating under conservative mandates.



The Bridge: Strengthening GP-Pension Fund Relationships Beyond Fundraising

“To build familiarity and trust from pension funds, GPs need to interact with us more. We don’t see much engagement from private capital, compared to other asset classes. They tend to approach us only when they are putting together a fund. They could be more intentional about outreach.” – Corporate Trustee 1

To build trust and unlock pension allocations, GPs operating in Ghana must adopt a more consistent and deliberate approach to industry engagement. Rather than limiting outreach to fundraising periods, fund managers should prioritise ongoing dialogue with pension service providers to foster familiarity and credibility over time.

Given the relatively nascent state of Ghana’s private capital market, practical steps such as hosting targeted roundtables, informal briefings, or collaborative knowledge sessions can help demystify private capital strategies and address pension-specific concerns. These forums offer GPs the opportunity to:

- Share performance data, exit strategies, and governance practices in a transparent and digestible format.
- Clarify how their investment approach aligns with pension mandates, including capital preservation and income generation.
- Position themselves as long-term partners committed to supporting pension fund objectives – not just soliciting commitments.



The Bridge: Leverage Co-Investment Partnerships with DFIs

Co-investment partnerships offer a practical pathway for Ghanaian pension funds to access high-quality private capital opportunities while managing risk. Collaborating with experienced institutions such as DFIs can enhance market access, improve due diligence capacity, and support alignment with long-term investment objectives.

A relevant example is the strategic partnership between British International Investment (BII) and South Africa’s Public Investment Corporation (PIC), manager of the GEPPF. Through this collaboration, BII and PIC share deal pipelines and jointly pursue select investment opportunities, demonstrating how co-investment models can unlock scale and expertise.

To enable similar models in Ghana, the National Pensions Regulatory Authority (NPRA) must take the lead in developing a supportive regulatory framework. Nigeria’s National Pension Commission (PenCom) has already set a precedent by introducing its Operational Framework for Co-Investment for Pension Funds, offering a useful reference for Ghana’s policy development.

2. Improving Pension Fund Capacity

Many pension service providers in Ghana face internal capacity constraints that limit their ability to evaluate private capital opportunities. Gaps in expertise, particularly in risk assessment, due diligence, and portfolio construction, hinder informed decision-making and contribute to a cautious investment posture.

This limited familiarity with private capital, compounded by persistent negative perceptions and anecdotal concerns, reinforces a strong bias toward traditional asset classes such as government securities. Addressing these capacity challenges is essential to broadening pension fund participation and enabling more balanced portfolio strategies.



The Bridge: Targeted Education Initiatives, Training & Technical Assistance Programmes

“There is a knowledge gap in the pension sector when it comes to private capital, particularly among overseers of company pension schemes. This can make it difficult to gain their approval to invest in private capital. A program like this (AVCA’s Knowledge Exchange Initiative) may help to bridge the gap. It can build confidence by getting the industry to understand returns, how they are generated, how fund managers add value and manage risk, and how pension funds disburse to GPs.” – Corporate Trustee 2

Targeted education and strategic communication are essential to improving pension stakeholders’ understanding of private capital. Tailored initiatives can help demystify the asset class, clarify risk management strategies employed by fund managers, and highlight its long-term benefits. Enhanced collaboration with industry bodies, supported by data-driven success stories, can play a pivotal role in shifting perceptions and building confidence.

Equally important is the need for structured training and technical assistance to build institutional capacity. Joint programmes led by private capital stakeholders, including DFIs, industry associations such as AVCA, and regulators, can equip pension entities with the tools to assess and manage alternative investments. Training should be customised to reflect varying levels of investment literacy.

One example is AVCA’s Knowledge Exchange Initiative (KEI) Ghana programme, a twelve-month effort endorsed by the Chamber of Corporate Trustees and supported by British International Investment through the Ghana Investment Support Program. The initiative offers hands-on training designed to equip institutional investors with the foundational knowledge and practical tools needed to allocate confidently into private capital.

As institutional capacity strengthens through initiatives like KEI, pension firms should also be encouraged to review internal policies. Where appropriate, these policies should be revised to ensure they do not impose unnecessary constraints on investment flexibility beyond what regulation requires. This alignment is essential to unlocking the full potential of private capital within pension portfolios.

The Bridge: Scaling Collaborative Pension Investment Platforms

Collaborative investment structures present a compelling opportunity for pension funds – particularly smaller players – to deepen their participation in private capital markets. Especially in asset types like infrastructure, pooling resources can help pension funds gain access to larger-ticket investments, share due diligence and risk assessment frameworks, and lower transaction costs. These structures also foster institutional learning, building the long-term investment capacity.

Ghana is already taking meaningful steps in this direction. The Pension Industry Collaborative, a partnership between large firms including Axis Pensions, Petra Trust, and Stanbic Investment Management Services, provides a strong precedent for joint investment initiatives among local pension players. Expanding and formalising such platforms – potentially with the support of the National Pensions Regulatory Authority (NPRA) – could enable smaller pension funds to participate in private capital opportunities that would otherwise remain out of reach, while fostering collective governance standards and stronger market representation.

Other regional precedents reinforce the viability of this approach. In Kenya, a consortium of pension funds with combined assets of US\$5bn established the Kenya Pension Funds Investment Consortium, aiming to mobilise US\$250mn into infrastructure and alternative assets over five years. Likewise, South Africa's Asset Owners Forum South Africa (AOFSA), formed in 2021 by 15 retirement funds representing US\$150bn in assets, has already collectively committed ZAR5.7bn to infrastructure projects. These models demonstrate how strategic collaboration can translate into tangible capital deployment and enhanced market influence.



3. Addressing Risks

Faced with the dual imperative of delivering stable returns while minimizing risk, Ghanaian pension service providers prioritize capital preservation. This prudent approach has led to a cautious stance toward private capital investments, which are often viewed as inherently high-risk. Consequently, allocations to this asset class remain limited. To unlock greater participation and align private capital with pension fund risk appetites, a suite of de-risking instruments and strategic frameworks can be deployed.

The Bridge: First-Loss Capital & Guarantee Schemes

“It is important to increase pension funds’ confidence in private capital. Policymakers must play a key role by establishing guarantee schemes, alongside DFIs. This can help mitigate the risk of financial loss and can encourage pension funds to deploy capital.” – Corporate Trustee 1

Risk-sharing facilities such as first-loss capital, guarantees, and blended finance structures are powerful tools for catalysing pension fund investment in private capital, particularly in higher-risk asset classes like Infrastructure. For Ghana, success will hinge on alignment with NPRA investment guidelines and existing pension governance frameworks.

DFIs can expand their role in Ghana’s private capital ecosystem by providing credit enhancements, guarantees, or concessional finance to crowd in domestic institutional investors. The government’s plan to establish an Infrastructure Credit Guarantee Scheme²⁵ marks a major step in this direction, offering local-currency guarantees that can help mitigate FX risk and make infrastructure investments more attractive to pension funds.

Regional experiences underscore the value of this approach. In Nigeria, InfraCredit provides local-currency guarantees to enhance the credit quality of infrastructure debt instruments, enabling pension and insurance funds to participate with greater confidence. Since inception, InfraCredit guarantees have mobilised NGN118.7 billion from 18 pension funds toward infrastructure projects, demonstrating how structured risk-sharing can unlock significant domestic capital.

To maximise impact in Ghana, clear NPRA guidance on how such mechanisms are treated within investment limits would further strengthen trustee confidence and support a gradual, sustainable increase in pension fund participation in private capital markets.



4. Addressing Regulatory Barriers

Legal and regulatory constraints continue to impede the flow of pension capital into private investment vehicles in Ghana. A key structural gap is the absence of a legal framework supporting Limited Partnerships, an internationally standard structure for private capital funds. In Ghana, private capital vehicles are typically registered as corporations, subjecting them to corporate taxation and thereby diminishing net returns to investors.

Beyond structural limitations, regulatory hurdles further restrict market access. These include constraints on offshore investments, limitations on allocations to non-Ghanaian funds, and burdensome licensing procedures for fund managers. Restrictions on share buybacks also inhibit flexible exit strategies, which are critical for Private Equity operations. Collectively, these factors contribute to a perception of overregulation, dampening pension fund appetite for diverse private capital strategies and limiting the sector's growth potential.

The Bridge: Targeted Regulatory Reform

“Regulatory change could enable pension funds to engage more with private capital. For example, the SEC should make it easier for private capital fund managers to obtain licences. The current process takes a long time and is one of the biggest hurdles for the industry, limiting the number of vehicles in the market.” – Corporate Trustee 3

To expand the availability and attractiveness of private capital investment options, the National Pensions Regulatory Authority (NPRA) should consider targeted regulatory reforms that address current market constraints. Priority areas include the recognition of Limited Partnerships within Ghana's legal and tax framework. This would align Ghana with regional peers such as Nigeria and Kenya, reduce double taxation, and provide fund managers with internationally standard structures that attract both local and foreign institutional investors. Next, streamlining the licensing process for fund managers to reduce administrative bottlenecks, revising restrictions on share buybacks to enable common exit strategies such as management buyouts, and easing limitations on offshore investments to allow for more diversified portfolio construction. Additionally, reforming the “alternatives” category in the NPRA Investment Guidelines by disaggregating it into distinct asset classes, such as private equity, infrastructure, and venture capital, and assigning tailored allocation limits would enable more strategic and targeted investment decisions by pension fund managers. Finally, while existing rules favour allocations to Ghana-domiciled funds to retain domestic capital, a more flexible approach could enable access to expertise, governance, and performance benchmarks from more established regional markets.



Research Methodology

The *Pension Funds and Private Capital in Ghana* report provides a diagnostic assessment of the current practices, perceptions, and investment behaviours of domestic pension service providers in relation to private capital. Commissioned as part of the *Knowledge Exchange Initiative* (a programme designed to equip African institutional investors with foundational knowledge of the asset class) the report establishes a baseline understanding to inform the design of targeted interventions. These may include products, services, training, and information resources to strengthen both the capacity and appetite of pension funds to engage with private capital opportunities.

Research Design & Data Sources

This study employs a mixed-method research design, integrating both primary and secondary sources. Primary data was collected through surveys and semi-structured interviews targeted at Pension Fund Managers and Corporate Trustees operating in Ghana. These took place between November 2024 and May 2025. Secondary data was obtained from AVCA's proprietary databases, publications from pension and private capital industry regulators, commercial data providers, and reputable news outlets.

Response Rate

AVCA contacted 33 organisations and received 25 responses, representing a response rate of 76%. The sample comprised 13 Pension Fund Managers

and 12 Corporate Trustees, collectively managing assets of GHS65.6bn (US\$4.5bn) as of June 2024. These institutions represented 63% and 82% of the total assets managed by Ghanaian Pension Fund Managers and Corporate Trustees in Ghana, respectively.

Survey Design & Data Collection

The survey was primarily administered via an online platform, although a small number of respondents submitted their responses by email. The survey took the form of a structured questionnaire designed to capture both qualitative and quantitative data. Question formats included a mix of multiple-choice, rating scales, Likert scales, and open-ended responses. Participation was entirely voluntary, and all respondents were informed that their contributions would remain confidential and anonymised.

Data Cleaning & Validation

To ensure the integrity and reliability of the data, AVCA conducted a robust process of data cleaning and validation. This included identifying and adjusting for incomplete, duplicate, and inconsistent responses. For incomplete responses, percentages were calculated based only on the number of respondents who answered each specific question, excluding those who skipped it to maintain accuracy. Duplicate entries were removed across survey submissions to avoid skewed results.

Consistency checks were also performed to validate numerical inputs and flag contradictory responses. Where inconsistencies were identified, respondents were contacted via email to clarify and confirm their answers, ensuring the final dataset was both accurate and representative.

Analysis Methods

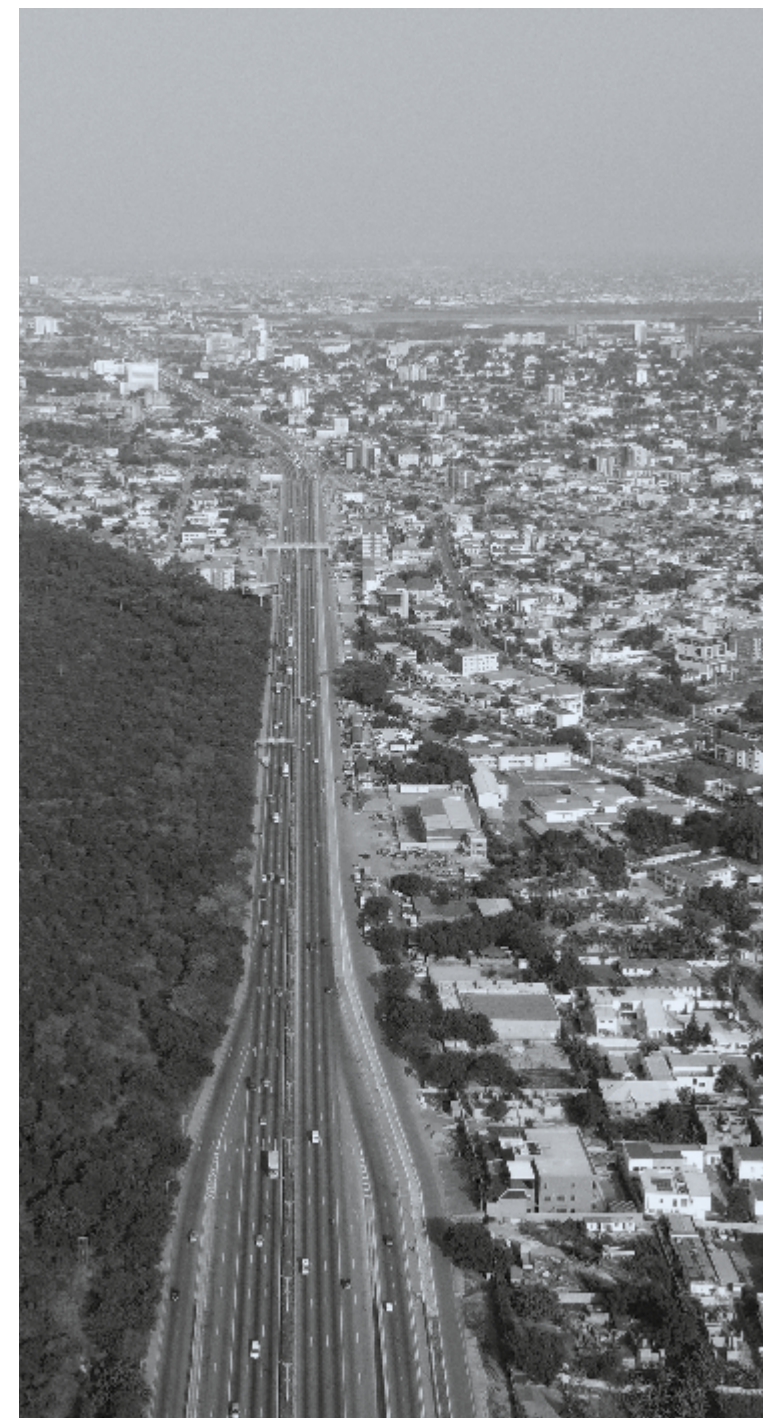
The primary data collected informed Sections 2 and 3 of report, specifically. The cleaned dataset was analysed using a combination of quantitative and contextual methods. Descriptive statistics were applied to summarise trends and patterns in the aggregated data. Triangulation was employed by comparing survey findings with market insights and secondary sources, including industry reports and sector analyses. Where applicable, qualitative responses were coded and categorised to complement and enrich the quantitative findings.

Limitations

The findings are subject to certain limitations. As participation was voluntary, non-response and self-reporting biases may have influenced the results. In addition, results may reflect timing bias, influenced by perceptions or conditions at a particular time.

Endnotes

- 1 Section 63(1), National Pensions Act, 2008
- 2 Section 63(4), National Pensions Act, 2008
- 3 The Three-Tier Pension Scheme, [People's Pension Trust](#)
- 4 Pencom, September 2025. Revised Regulation on Investment of Pension Fund Assets
- 5 Guideline 6, NPRA Guidelines on Investment of Pension Scheme Funds, 2021
- 6 Financial Sector Conduct Authority (South Africa), 2023 Retirement Funds Statistical Report
- 7 Retirement Benefits Authority, December 2024. [Industry Brief](#)
- 8 Please note that this is according to the country's respective definition of alternatives.
- 9 Based on Bank of Ghana official exchange rate as of 31st December 2024
- 10 Penop, Nigeria's Pension Industry Q4 2024 Report
- 11 [Bank of Nigeria exchange rate as of 31st December 2024](#)
- 12 Retirement Benefits Authority, December 2024. [Industry Brief](#)
- 13 Based on South African Reserve Bank exchange rate on 31st December 2024
- 14 Regulation 28, Pension Funds Act South Africa
- 15 Launch Base Africa, April 2025. [Ghana Mandates Pension and Insurance Funds to allocate 5% to Venture Capital and Private Equity](#); The Business and Financial Times Online, May 2025. [NPRA Boss Advocates Shift to Alternatives](#)
- 16 Note: Due to constraints in accessing detailed disaggregated data on assets under management and their composition, the reported total AUM of the surveyed entities may encompass non-pension assets and reflect some duplication.
- 17 In Ghana's pension industry, Corporate Trustees establish and administer pension schemes, while Pension Fund Managers invest scheme assets on their behalf.
- 18 B&FT, 2025, [Ghana's premier real estate event smashes records as country's real estate market set to hit US\\$533.30bn in 2025](#)
- 19 World Health Organization, [UHC service coverage index](#)
- 20 World Bank, [Domestic general government health expenditure \(% of GDP\) - Ghana](#)
- 21 InfraCredit, 2023, [Access to improved maternity healthcare services](#)
- 22 AVCA, 2021, [Pension Funds and Private Equity in Nigeria](#)
- 23 World Health Organization, [UHC Service Coverage Index](#)
- 24 Ministry of Finance (Ghana), 2025, [Gov't Reaffirms Commitment to Healthcare with GH¢2 Billion Infrastructure Investment](#)
- 25 News Ghana, 2025, [Ghana Unveils Credit Guarantee Scheme to Channel Pension Funds into Infrastructure Projects](#)





Championing Private Investment in Africa

The African Private 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.

Powered by [British International Investment \(BII\)](#), the Ghana Investment Support Programme (GhISP) works to increase investment flows to SMEs in Ghana through pipeline development, capacity building and matchmaking activities. We focus on driving gender-smart investing ([the 2X Challenge](#)), diversity lens investing ([Black Owned and Leadership for Development/BOLD](#)) and climate finance through our work with private capital funds and transaction advisors.

GhISP supports capital providers to expand investment in SMEs by strengthening the supply of capital. We work with Ghana's pension funds to channel more investment into local private capital intermediaries that finance SMEs, while also supporting financial institutions to attract investment and scale up SME lending.

Boosting Ghana's SME sector will help increase productivity, sustainability and inclusivity to ultimately result in transformational environmental impact and grow jobs and income.

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