



NIMAI AFRICA FINANCIAL SERVICES FUND

REGULATED BY CAYMAN ISLAND MONETARY AUTHORITY (CIMA)

**Newsletter – Jan 2020
Issue**





We are proud and happy to inform that we have been awarded as a superbrand for the second time in UAE. We thank to UAE Superbrand Council, all of our clients, business associates & investors for the trust they have placed upon us in all these years.

Nimai Africa Financial Services Fund

Fund Update

We are very pleased to share with you all that we have received hard & soft commitments of more than US\$ 25 MN from investors across Africa, Middle East & Europe. We are seeking to make a first close of the Fund with a target size of US\$ 30-40 MN by March 2020.

We have already set up the fund's office in Kenya. The office is at Waiyaki way, where there are lot of other institutions & private equity funds. Mr. Pankaj had recently conducted a trip to Europe and met DFIs and high net worth individuals who appreciated the fund strategy and have the appetite to invest in Africa. We look to receive firm commitments from investors in London & Zurich. Mr. Pankaj had a productive & fruitful meeting with Ecowas Bank for Investment & Development (EBID) in Togo in his recently conducted trip to Ghana & Kenya.

Deal Flow

Deal	Description	Ticket Size
Fintech Company A	The Company provides integrated mobile payment & wallets to both the banking and nonbanking population of Ghana. The Company has been providing financial services over the past five years to the mass market by connecting banks and wallets through bilateral and multilateral arrangements globally. It had also won the 1st position at the Premium Bank Ghana Startup Awards.	USD 5M
NBFC Company B	The principal activities of this company to offer savings & lending products to MSMEs across Ghana. The Company focuses on using technology to lend for the hire purchase requirements of MSMEs. They have been in operation for about twenty years.	USD10M - 15M
Fintech Company C	It is a fintech company which helps in payments, expense management & accounting management for MSMEs. It recently received funding from a VC fund in UK. It solves a global MSME problem with regards to payments, reconciliation, ledgers, taxation tec. It's a cloud based globally scalable model, needs minimal regulatory approval & integrates with the available in-country payment service providers.	USD 5- 10M
NBFC Company D	Asset finance company boasting 15 offices across Kenya & Uganda, with a	USD 10M

	proven and successful motorbike/2 wheeler financing business model.	
Fintech Company E	Provides financial products and services to the low and middle-income customer. The fintech harnesses technology to offer both secured and unsecured lending, primarily via mobile services.	USD 5-10M

Team

We are currently in the process of onboarding core team members of the platform and this process should be completed over the next 60 days. We are very pleased to share with you that we have brought on Board, Mr. Sagar Agarwal as Chief Investment Officer & Managing Director for the platform, Mr. Agarwal is a finance professional with more than 14 years of experience across private equity, venture capital investments, investment management, corporate finance & consulting. Mr. Agarwal's experience spans across two life cycle of investments in emerging markets, India & GCC, advising on more than 33 investments & 9 liquidity events. Mr. Agarwal was one of the three Partners & core founding members of Evolve India Fund II responsible for managing their India private equity & venture capital platform & actively working towards raising capital for the platform from investors across US, Europe & ME. Mr. Agarwal holds a master's degree from SP Jain, Singapore-Dubai with a Dean's medal in Investment Banking. He is also a CFA charter holder. He graduated from NMIMS, India with state ranks & scholarship awards at HSC & Final year.

Africa's Fintech Boom

Africa's fintech boom is creating niche ecosystems to power the industry's future globally. The emergence of fintech startups across Africa working to boost financial inclusion over the past half-decade has had some obvious effects. The startup sector has become the best funded on the continent and that has, in turn, fueled the launch of more fintech startups. But all that activity has also seen niche fintech ecosystems pop up across several African cities. In the inaugural edition the Global Fintech Index City Rankings, four African cities are identified among the top 100 fintech ecosystems globally.

The rankings were compiled by scoring several factors including the number of fintech startups and hubs in cities, the scale of investment in those startups as well as the local regulatory environment—ranging from ease of doing business to startup incentives and internet censorship—where the startups operate. Johannesburg, Cape Town, Nairobi and Lagos all rank among the top 100 cities for fintech ecosystems, keeping with a trend which sees nearly half of the top 100 cities located in emerging markets.

Source: <https://qz.com/africa/>

RECENT UPDATES ABOUT THE TARGET MARKETS

1) KENYA

Economy: The Cabinet has approved the start of talks on the establishment of a free trade arrangement between Kenya and US. The move likely to jolt the region's economic integration. The move is set to draw a sharp reaction from other EAC members given that Kenya surrendered its customs space to the bloc in 2005 when it signed its customs union protocol. The rulebook compels member States to negotiate all trade pacts jointly.

Regulation: The Monetary Policy Committee (MPC) met on 27th January 2020 to review the prevailing macroeconomic conditions and decide on the direction of the Central Bank Rate (CBR). The MPC lowered the CBR by 25 bps to 8.25% from 8.50%, the cut was as a result of inflation remaining well anchored within the target range and the economy operating below its potential level.

Recent Deal: Private Equity companies Fanisi Capital and Ascent Capital have disclosed plans to consolidate their funds with the aim to earn higher returns for their investors. According to a joint statement, Fanisi and Ascent will systematically co-invest to enjoy scale benefits and earn better returns to investors' funds held under the Fanisi Capital Fund II LLC ("Fanisi II") and Ascent Rift Valley Fund II LP ("ARVF II").

Fanisi Fund II was launched in 2017 and is a \$35 million (KSh3.5 billion) private equity fund. On the other hand, Ascent Rift Valley Fund II is projected to raise \$120 million (KSh12 billion) after its first close in 2020

2) ETHIOPIA

Economy: Ethiopia plans to start building Africa's largest airport at \$5 billion within six months and continue the ascendancy of its national carrier, the most profitable on the continent. The new airport will be able to handle as many as 100 million passengers. That would catapult Ethiopia into a global league, with capacity greater than London Heathrow, Europe's busiest airport, and Dubai International, currently the world's No. 1 for international flights.

Regulation: The House of Peoples' Representative of Ethiopia on Thursday ratified investment law that envisages to further opening economy and attracting more foreign direct investment (FDI) to Country. Any foreign investor, to be allowed to invest under this Proclamation, shall be required to allocate a minimum capital of \$200,000 for a single investment project.

3) GHANA

Economy: Moody's Investors Service ("Moody's") last month affirmed Ghana's long-term issuer and senior unsecured bond ratings at B3 and changed the outlook to positive from stable. The decision to assign a positive outlook reflects Moody's rising confidence that the country's institutions and policy settings will foster improved macroeconomic and fiscal stability over the medium term, in part because of the reforms implemented under the recent IMF reform program.

Regulation: The Chinese government has released phase one of funding for a substantial road construction project in Ghana as part of a \$2 billion infrastructure deal which gives Beijing access to the country's reserves of bauxite — a crucial source of aluminium.

4) TANZANIA

Economy: The Dar es Salaam Stock Exchange (DSE) has launched a capacity building program meant to develop sustainable businesses through access to capital markets.

The objectives of the program, among others, is to provide capacity building to identified SMEs to enhance their capacities in key areas of their business growth and ease their access to various sustainable funding options, both local and globally.

Recent deal: Tanzania and the Canadian mining giant Barrick Gold Corp on Friday signed an agreement to kick-start their new joint venture company to oversee Barrick's future gold mining operations in the country, as a way forward following a yearlong impasse.

5) UGANDA

Economy: Uganda's economy is projected to grow at 6 per cent this year, something economists say is good enough because it will encourage banks to lend to the private sector. Reliable financial services from banks are the lifeline in the economic structure so is the capital they provide.

Recent deal: Uganda signs commercial deals at UK-Africa Investment Summit. Deals signed between UK companies and Uganda at the summit include a £185m export contract for Lagan Group to upgrade Kampala Industrial Business Park and a £80m deal for Nexus Green to export solar powered water pumping systems for irrigation in Uganda.

6) BOTSWANA

Economy: Botswana projects a narrower budget deficit in the 2020/21 fiscal year as the government cuts expenditure and revenue collection improves. The diamond-producing southern African country's deficit is forecast to narrow to 2.4% of GDP in 2020/21 from 3.9% in the fiscal year ending March.

Recent deal: The Botswana Stock Exchange (BSE) and the Zimbabwe Stock Exchange (ZSE) on Tuesday announced their intentions to sign a collaborative deal to foster prosperity of their financial markets. The two exchanges also unveiled a joint strategy to provide a framework for cooperation in multiple areas, including product and market development, and promotion of cross listings.

7) RWANDA

Economy: The World Bank last week announced the issuance of its first bond denominated in Rwandan Franc (RWF). The bond will be listed on the London Stock Exchange. With this transaction, the World Bank aimed at contributing to the development of the country's local capital market and providing an opportunity for international investors to purchase a World Bank bond while gaining exposure to the growing Rwandan economy through the currency. The RWF-denominated bonds offer investors an annual coupon of 9.25 per cent and are payable in USD.

Recent deal: Rwanda, China To Sign Financing Deal For Nyabarongo Power Project. Nyabarongo II project is an addition to Rwanda's mega energy projects that will push the country to attain universal access to electricity by 2024.

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Our Target Markets



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