

Trident Trust's Journey in African Private Equity: A Decades-Long Commitment to Growth and Change



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For over 40 years, Trident Trust, a privately owned and independent provider of fund administration and private client solutions, has been an unwavering presence in the world of financial services. Known for our focus on client service and our ability to make long-term commitments to new regions and services, Trident Trust made its foray into the African Private Equity scene in 2006. Over the years, we have witnessed significant transformations in the industry and adapted to the evolving landscape. Trident Trust Mauritius, established in 2000, now employs more than 100 staff and serves clients from 45 of the 54 countries in Africa.

WHAT BROUGHT TRIDENT TRUST TO AFRICA?

In 2006, while most service providers in Mauritius were focused on the Indian market, we recognised the abundant opportunities that Africa could offer and we were busily onboarding our first African private equity fund client. This decision set the stage for a remarkable journey which enabled us to work with some of the leading private equity firms on the continent, such as Africinvest, GroFin, Mediterrania Capital Partners and African Capital Alliance. This growth was made possible through the support of pioneering Development Financial Institutions (DFIs) and Foundations, including FMO, BII (formerly known as CDC), IFC, Shell Foundation, Syngenta Foundation, and AfDB.

Driven by a commitment to building the ecosystem, we supported AVCA for several years with company secretarial and other administrative services as the Association built up its presence in and support for the market. Over the years, our client portfolio expanded across 45 African countries and encompassed various asset classes, including consumer goods, healthcare, agriculture, financial services, telecommunications, and information technology.

CHANGES IN AFRICAN PRIVATE EQUITY OVER THE PAST DECADE

Over the past decade, the African private equity scene has witnessed significant transformations. The early capital allocation for the continent primarily came from Foundations and DFIs with a mandate to "bring the capital back."

While pioneering DFIs laid the foundation for private equity investment in Africa, around 2012-14, there was a surge in Funds of Funds, US

investors, and family offices raising up to billion-dollar Africa-focused funds.

Post-COVID, the pioneer DFIs regained prominence, and new asset classes such as venture capital, tech funds, and sector/mandate-focused funds (e.g., Energy, Healthcare, Women in Business) have gained traction. The LP landscape also saw new entrants in the form of African pension funds and organizations like the Norrskan Foundation.

Numerous GPs that had invested in institutionalizing their operations were now successful in raising multiple successive funds. The African private equity landscape today is characterised by a few large pan-African funds dominating the market, with smaller funds typically focusing on specific regions or asset classes and often outsourcing their administration, back-office, and compliance functions to third-party firms.

ADAPTING TO MARKET CHANGES

As the market evolved and GPs became more sophisticated, we adapted to the changes by implementing a leading-edge specialist private equity fund administration platform – Allvue - to enhance operational efficiency and improve the investor experience.

In addition, our global footprint allowed us to assist GPs who began using various domiciles, such as the Cayman Islands, Delaware, the DIFC, Malta, and Luxembourg, to structure their funds. Through our worldwide presence we can meet the demand for cross-jurisdiction offerings, such as servicing Cayman/Delaware funds from Mauritius and providing professional fund administration services for local onshore Kenyan and Nigerian funds from different offices.

THE FUTURE

Looking ahead, we see further evolution and innovation in the African private equity market, such as the development of new investment vehicles alongside traditional blind pool funds, including permanent vehicles, co-investment and listed vehicles, and tokenized funds. There is also continued interest from LPs globally in venture capital, investment in the transition to renewable energy, and also impact funds. Regional champions are likely to emerge through business consolidations within East and West Africa.

If you want to know more, please contact Trident Trust:

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