

Blakeney plots new Africa fund for Q4

Blakeney Management, one of the longest-running investment firms active in sub-Saharan Africa, is planning to launch a new Africa-focused equity fund.

News of the new launch follows a recent decision by the London-based firm, originally founded by Miles Morland back in the 1990s, to shut down its older funds.

According to current managing partner Obiora Ogbunude, Blakeney has decided to restructure its business but will very much continue investing in Africa. He told *Hedge-News Africa*: “The asset class has been under pressure for the last five years from performance and outflows and we had to regroup.

“But Africa continues to be very exciting and one of the most significant growth opportunities globally over the next few years and decades, so we will continue to invest there with new funds, which we are about to launch.”

Ogbunude said that the new fund, which is yet to be named, will be equity-focused and pan-African, with Blakeney hoping to launch it in Q4 2021: “The plan is to start [with assets] around \$100 million, then scale up gradually to \$500 million initially. We think the capacity of the strategy is much higher than \$500 million.”

Ogbunude believes that, despite the challenges for managers of Africa funds in recent years, there is still a great opportunity set going forward – not least due to the development and applications of new technology.

“We consider digitisation to be the strongest growth driver in Africa today, so the strategy will be targeting investment opportunities in sectors that are digitising and growing rapidly such as mobile banking/fintech, telecoms

and data, e-commerce, healthcare, consumer foods, and clean energy,” he said. “Africa’s digitisation is a very strong secular trend and is just starting to pick up.”

Blakeney tends to play at the more established end of the investment spectrum, Ogbunude added: “Because we have been investing for over two decades in the region, we believe we are well positioned to identify established players who can successfully pivot to a more digital strategy.

“Most of the successful companies in Africa have been our portfolio companies at one stage or another so we know the terrain well. So instead of early-stage startups, we will be investing in, for instance, banks or telcos who are looking to move from traditional banking or

voice telecom into fintech or mobile banking.”

An example he cited was Airtel, the mobile phone company with operations across Africa, which is spinning off its mobile money unit (at a valuation of \$2.65 billion). “There are many more similar transactions in the pipeline,” he predicted.

Blakeney will also be looking at ‘new economy’ companies with a focus on those that are emerging as leaders in their sectors. E-commerce, for example, he sees as a big beneficiary of digitisation on the continent.

“Blakeney and Rocket Internet were the founding investors in Jumia, so we already have considerable experience in the sector,” he argued. “I was on the board of Jumia before it IPO’d in New York.”

Social and environmental impact considerations will also be a key pillar of the strategy, Ogbunude added. “We will prioritise investments with meaningful positive impact, such as those that help towards poverty alleviation, increased financial inclusion and environmentally sustainable growth. Fortunately, many of the businesses that fit within our theme are delivering such impact at scale.”

Ogbunude has been investing in Africa for nearly two decades, since joining Blakeney in 2001 after graduating with an MBA from London Business School.

Blakeney has been investing in both Africa and the Middle East since at least 1995 on behalf of some of the most sophisticated endowments, foundations, pension funds and family offices in the world and was running assets of about \$2 billion at its peak.

It was founded by Miles Morland, who is now retired from the business.

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Brierley joins OMBA for distribution role

Ex-Old Mutual man Stephen Brierley has joined London-based OMBA Advisory and Investments as head of fund distribution, following his recent move to the UK.

OMBA was founded in 2017 by an experienced team led by Mark Perchtold and David Pierson, with a focus on investing in various ETF and fund of ETF strategies. The seven-strong team includes Nicolas Cutler, Adam Rudd and Andrew Limberis, with an independent owner-managed culture that focuses on putting client interests first.

OMBA has assets under management of US\$400 million run on behalf of high-net-worth investors and family offices, via separate managed accounts, model portfolios and a UCITS fund.

OMBA takes an active asset allocation approach to global markets implemented via low-cost exchange-traded funds, allow-



Stephen Brierley

Mark Perchtold

ing clients to achieve diversification across geography and sector by investing in factor and style ETFs.

Having launched a moderate global UCITS fund, which is Section 65 approved in South Africa, it is looking to grow its retail and institutional client base.

The Omba Moderate Risk Global Allocation Fund is a globally diverse fund which invests using ETFs across both equity and fixed income markets.

The fund has flexibility to reduce or increase its equity weighting based on market conditions and applies a valuation-based approach to tactically overweight and underweight countries and sectors using ETFs. The fund is a building block for investors who want diverse, low-cost exposure to different asset classes, countries, sectors and currencies.

South African based clients can invest through a rand-feeder structure via the Prescient platform and OMBA is looking to launch new thematic mandates domiciled in Ireland and with Section 65 approval in South Africa.

The team is looking to break the stigma around ETFs, noting that while its products contain an element of passive investing, they can be used actively to offer low-cost thematic exposure to a range of global themes.