Odit Frontier Partners

THESIS NOTE · NOVEMBER 2026

Open Savannah Season

Nine Forces Hunting the African Private Equity Fund

01 AI Subsumption

02 Operator Subsumption

03 Proof-of-Concept Subsumption

04 AI-Native Entrant Subsumption

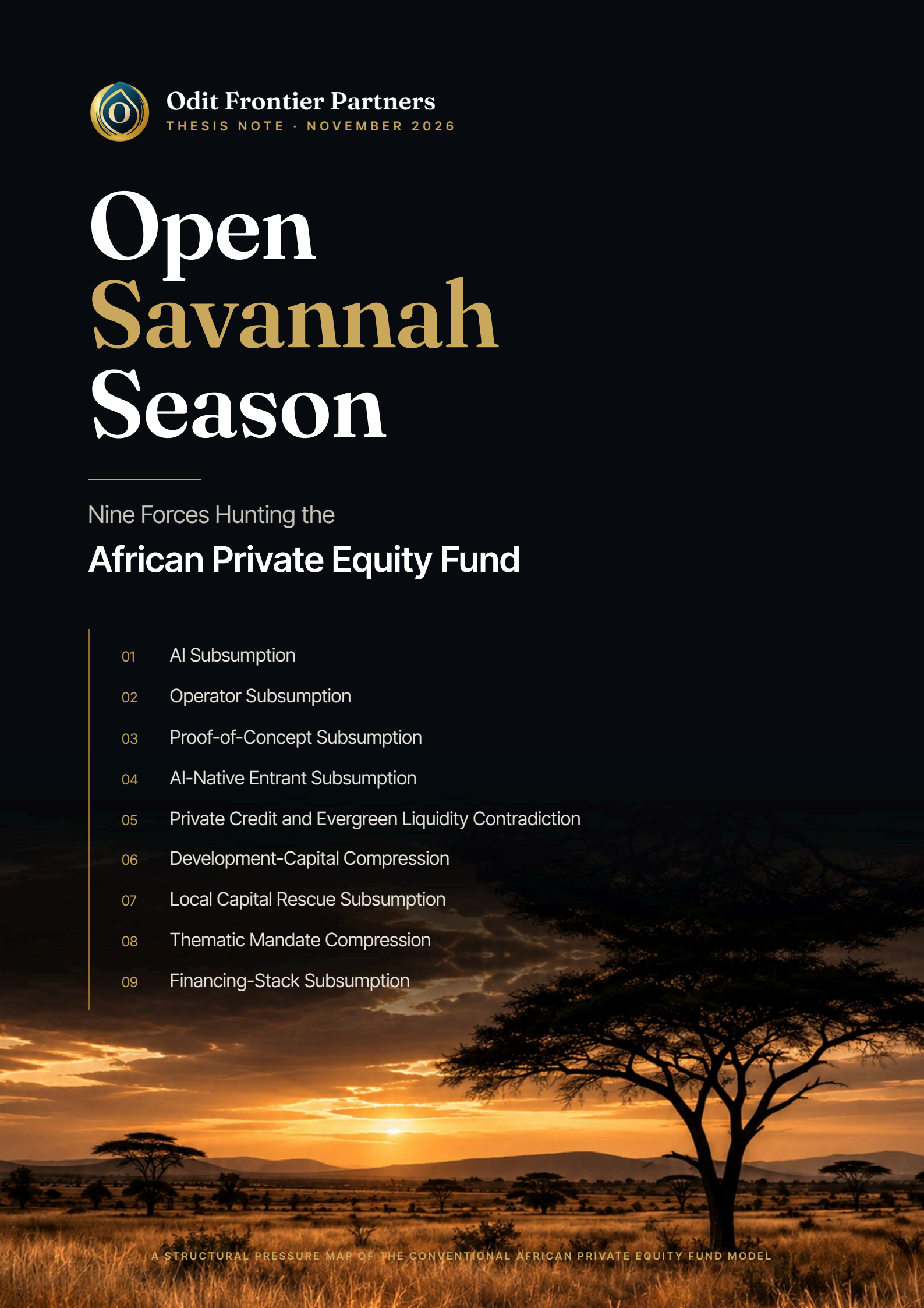
05 Private Credit and Evergreen Liquidity Contradiction

06 Development-Capital Compression

07 Local Capital Rescue Subsumption

08 Thematic Mandate Compression

09 Financing-Stack Subsumption



A STRUCTURAL PRESSURE MAP OF THE CONVENTIONAL AFRICAN PRIVATE EQUITY FUND MODEL

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Open Savannah Season

Sections are numbered 1 to 9. The nine forces sit inside Section 2, each tagged with its number, what it attacks and how; 03A and 03B are sub-forces of Force 03, and 08A to 08D of Force 08.

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The two types of private equity and private credit fund that the nine forces attack, how each is organised, how money moves through it, and where each force attaches.

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ABOUT THIS PUBLICATION

Open Savannah Season

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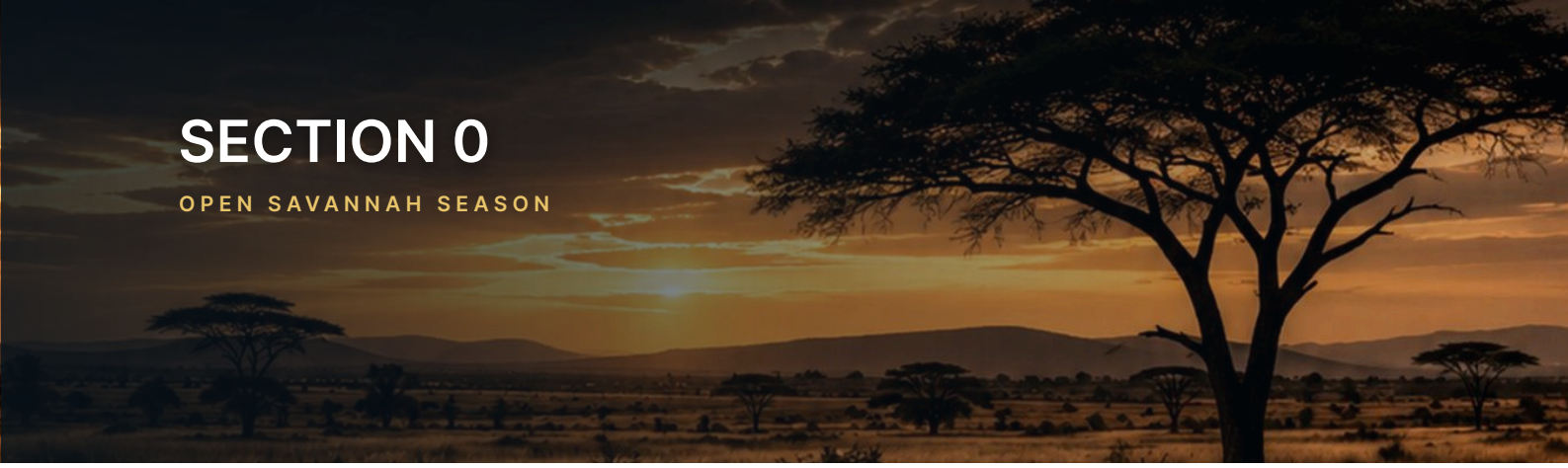
Abbreviations

AfDB	African Development Bank
AFC	Africa Finance Corporation
AI	Artificial intelligence
AIFMD	Alternative Investment Fund Managers Directive, the European Union law governing fund managers
ALCB Fund	Africa Local Currency Bond Fund
AVCA	African Private Capital Association
BDC	Business development company, a United States vehicle that lends to and invests in private companies
BII	British International Investment, the United Kingdom's development finance institution
DEG	Deutsche Investitions- und Entwicklungsgesellschaft, Germany's development finance institution
DFC	United States International Development Finance Corporation
DFI	Development finance institution
DPI	Distributions to paid-in capital: cash returned to investors as a multiple of the money they put in
DRC	Democratic Republic of the Congo
EBRD	European Bank for Reconstruction and Development
EDFI	Association of European Development Finance Institutions
FMO	Netherlands development finance institution (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden)
FSD Africa	Financial Sector Deepening Africa
GIIN	Global Impact Investing Network
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, Germany's development agency
GP	General partner, the firm that runs a fund
H1, H2	First half and second half of a year
I&P	Investisseurs & Partenaires
IFC	International Finance Corporation, part of the World Bank Group
ILPA	Institutional Limited Partners Association
IMF	International Monetary Fund
IPO	Initial public offering, a company's first sale of shares on a stock exchange

IRR	Internal rate of return
LIR	Record reference in the OFP LinkedIn Intelligence Register, for example LIR-0443
LNG	Liquefied natural gas
LP	Limited partner, an investor in a fund
MENA	Middle East and North Africa
MSME	Micro, small and medium-sized enterprises
NAV	Net asset value, the current value of a fund's investments
ODA	Official development assistance, the aid governments give to developing countries
OECD	Organisation for Economic Co-operation and Development
OFP	Odit Frontier Partners
PCMIB	Private Capital Markets Intelligence Briefing, an OFP series
PE	Private equity
PIDG	Private Infrastructure Development Group
Q1 to Q4	First to fourth quarter of a year
REIT	Real estate investment trust
SEC	United States Securities and Exchange Commission
SIFEM	Swiss Investment Fund for Emerging Markets
SME	Small and medium-sized enterprise
TDB Group	Trade and Development Bank Group
TVPI	Total value to paid-in capital: cash returned plus the value of investments still held, as a multiple of the money put in
VC	Venture capital
EUR, GHS, KES, NGN, XOF	Euro, Ghanaian cedi, Kenyan shilling, Nigerian naira, West African CFA franc
R, ZAR	South African rand
US$	United States dollar



SECTION 0

OPEN SAVANNAH SEASON

0 The Species Under Attack

The two types of private equity and private credit fund that the nine forces attack, and where each force attaches to them

This section describes what the nine forces attack: the private equity and private credit funds that channel private capital into African companies. The rest of this note argues that nine separate pressures, which it calls the nine forces, are weakening these funds. To follow that argument, the reader first needs to know how such a fund is built: who puts money into it, who runs it, what it buys and how the money is paid back. This section explains each of these, and uses diagrams to show the exact part of a fund that each force puts under pressure.

DEFINITION

What "African" means in this note: when a private equity or private credit fund counts as an African fund

This note counts a private equity or private credit fund as an African fund, also called an Africa-focused fund, according to where the fund invests its money, not where the fund or its fund manager is based. A fund counts as African in this note only if it passes all four of the gates below.

Gate 1 — **Does the fund pool money from several investors under a named fund manager?**

The fund must raise money from more than one investor and be run by a named manager. It can invest through private equity, venture capital or private credit, and it can be closed-end or evergreen. The following do not pass: funds of funds; government programme announcements that name no manager; warehouse facilities, which hold assets temporarily before a fund is formed; and records of a single investor's commitment.

Gate 2 — **Does the fund invest more than half of its money in African companies?**

The fund passes if more than half of its money is meant for African companies, judged on its stated mandate or, where the mandate is silent, on the investments it has disclosed. What counts is where the fund invests, not where the fund, its manager or its legal vehicle is registered or run. A fund run from outside Africa passes if it meets this test. A fund based in Africa fails if it does not.

Gate 3 **If the fund also invests in the Middle East, does Africa still receive more than half of its money?**

North Africa is part of Africa, so a fund investing in Egypt, Morocco or Tunisia counts its investments there as African. A fund covering the Middle East and North Africa region (MENA) therefore passes if more than half of its money is meant for African countries, including North Africa, rather than for the Middle East.

Gate 4 **Is Africa the fund's main focus, rather than one region among several?**

Global funds, and funds covering several regions in which Africa is only one, fail. The fund tables in Force 02 apply the same rule.

A private equity or private credit fund that passes all four gates is counted as an African fund in this note

A·B

SECTION 0 · PART 1 OF 3

Locked in or let out: two types of private equity and private credit fund, and how they differ

How investors put money into each type of fund, how they get it back, and why that decides where the nine forces attach

Every fund that invests in private companies faces the same dilemma: its investors may want their money back long before the companies it owns can be sold. A stake in an unlisted company, or a loan to one, cannot be turned into cash quickly at a fair price. It usually takes years. Investors, on the other hand, have their own needs for cash, and they want to know when they will get their money back. Every such fund has to decide how to handle this gap between when its investors want their money and when the companies it owns can be sold.

So how do private equity and private credit funds resolve it? In one of two ways, and the choice divides the funds that invest in African companies into two types. One way is for the fund to lock its investors in until the companies it owns are sold. The other is for the fund to let its investors out a little at a time while it keeps investing. This note calls the first Species A and the second Species B.

Species A and Species B are both funds that invest in private companies, but they are built for opposite answers to that dilemma. Species A is the closed-end private equity fund, and it is the main subject of this note. Investors commit money to it once, when it is raised. The fund manager, a private equity firm, invests that money in companies over about five years, sells those investments over the following years, and pays the proceeds back to the investors. After about ten to twelve years the fund is closed, and the private equity firm must raise a new fund to stay in business. Species B is the evergreen fund, which invests either in company shares (private equity) or in loans to companies (private credit). It has no end date. New investors can buy into the fund at almost any time, and existing investors can ask the fund for their money back at set intervals.

The two types of fund differ most in how their investors get their money back, which this note calls liquidity. Investors in a Species A fund cannot withdraw early: their money stays in the fund until its investments are sold. Investors in a Species B fund can withdraw, but only up to a limit set by the fund for each period. The fund pays them from the cash it holds, from loan repayments, from new investors' money or by borrowing. Because the two types of fund are built differently, the nine forces put pressure on different parts of each, so both are described here before the forces themselves.

This section uses two diagrams for Species A and four for Species B. For each type of fund, the first diagram shows how it is organised: who invests in it, who manages it, what it owns and where the nine forces attach. The second shows how money moves through the fund year by year. Species B has two further diagrams because its weak point is how investors get out: one shows investors joining and leaving continuously, and the other shows the two ways an investor can leave. Before the diagrams, Table 0.1 compares the two types of fund side by side.

Table 0.1 HOW THE TWO TYPES OF PRIVATE EQUITY AND PRIVATE CREDIT FUND DIFFER

NOTE Read across each row: the same feature as it appears in each type of fund. Species A and Species B are this note's terms.

	Species A: the closed-end private equity fund	Species B: the evergreen private equity or private credit fund
How long the fund lasts	About ten years from first close (the date the fund starts investing), twelve with extensions, often longer in practice	No end date
How investors put money in	They promise money at set fundraising dates, called closes, and the fund calls the money in as it needs it	They buy in at the fund's current value, called net asset value, usually every month
How investors get money back	They are paid as the fund sells its holdings, mostly in the fund's later years	They ask the fund to buy their shares back at set intervals, usually every quarter, up to a cap of about 5% of the fund's value per quarter
When the fund manager raises a new fund	The private equity firm raises a new fund, called a successor fund, typically once 70% to 75% of the current fund's money is invested	Never as a separate event: the fund takes in new money continuously
How the fund manager is paid	A yearly management fee, plus a share of the profit when holdings are sold at a gain, called carried interest	A fee on the fund's value, often with a share of profits, called a performance fee
Where the strain on getting money back shows	At the end of the fund's life, if holdings are not yet sold: the fund is extended, or the remaining holdings are moved into a new vehicle, called a continuation vehicle	At the redemption dates, if more investors ask to leave than the cap allows: each is paid in part and the rest waits in a queue

SOURCE Odit Frontier Partners, drawing on the sources for Figures 0.2 and 0.4 and on Force 05.

A

SECTION 0 · PART 2 OF 3

Locked in for a decade: Species A, the closed-end private equity fund

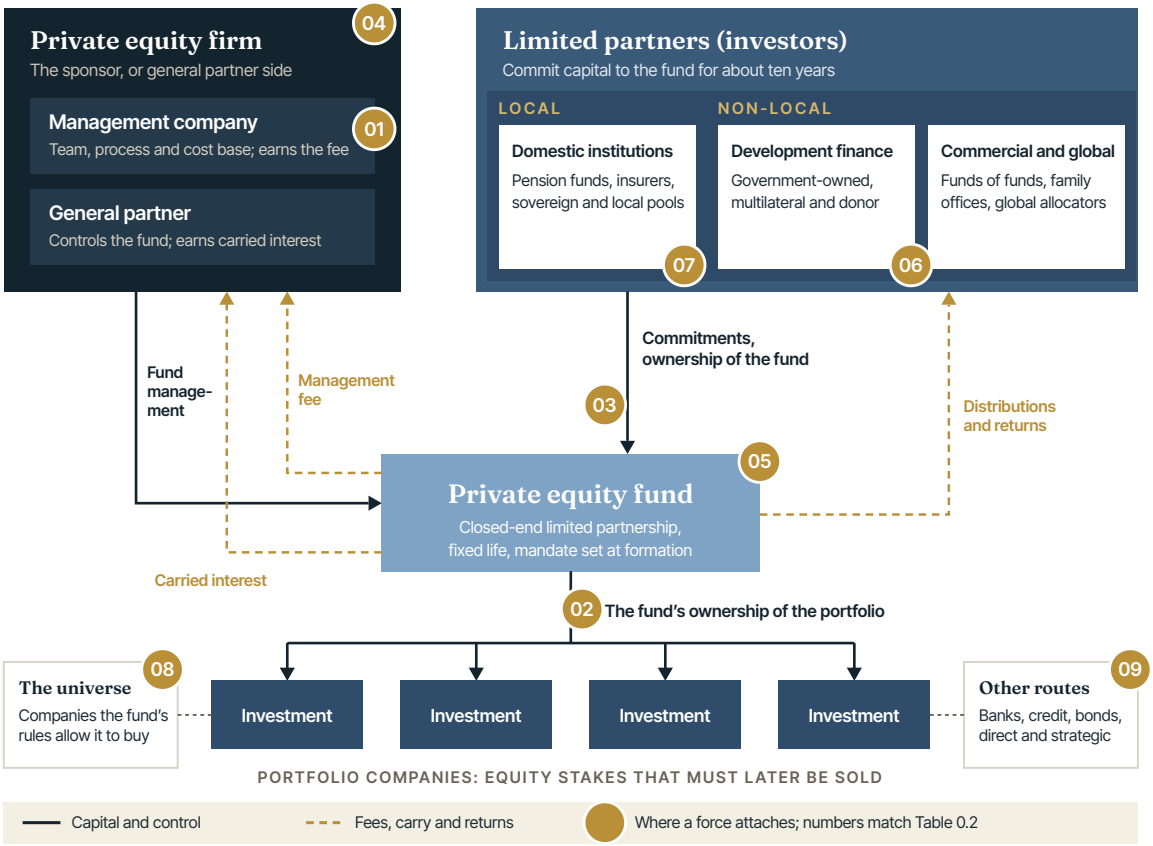
How a closed-end private equity fund is organised, how money moves through it over its life of about ten years, and where each of the nine forces attaches

Figure 0.1 shows how a Species A fund is organised and marks where each of the nine forces puts pressure on it. Three groups are involved. The first is the investors, called limited partners, who commit money to the fund. Some are local, such as African pension funds and insurers. Others are not: development finance institutions, which are government-owned investors that finance private companies in developing countries, and commercial and global investors. The second is the private equity firm, called the general partner, which runs the fund. It charges a yearly management fee to cover its costs and takes a

share of the profit, called carried interest, when investments are sold at a gain. The third is the companies the fund invests in, called its portfolio. The fund may only invest in companies that fit its stated investment rules, called its mandate. Each numbered gold marker in the figure shows where one of the nine forces attaches, and Table 0.2 lists them.

Figure 0.1 SPECIES A, THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND, AND WHERE THE NINE FORCES ATTACH

NOTE The figure follows the standard way of drawing a private equity fund. Each numbered gold marker shows where one of the nine forces attaches; the numbers match Table 0.2.

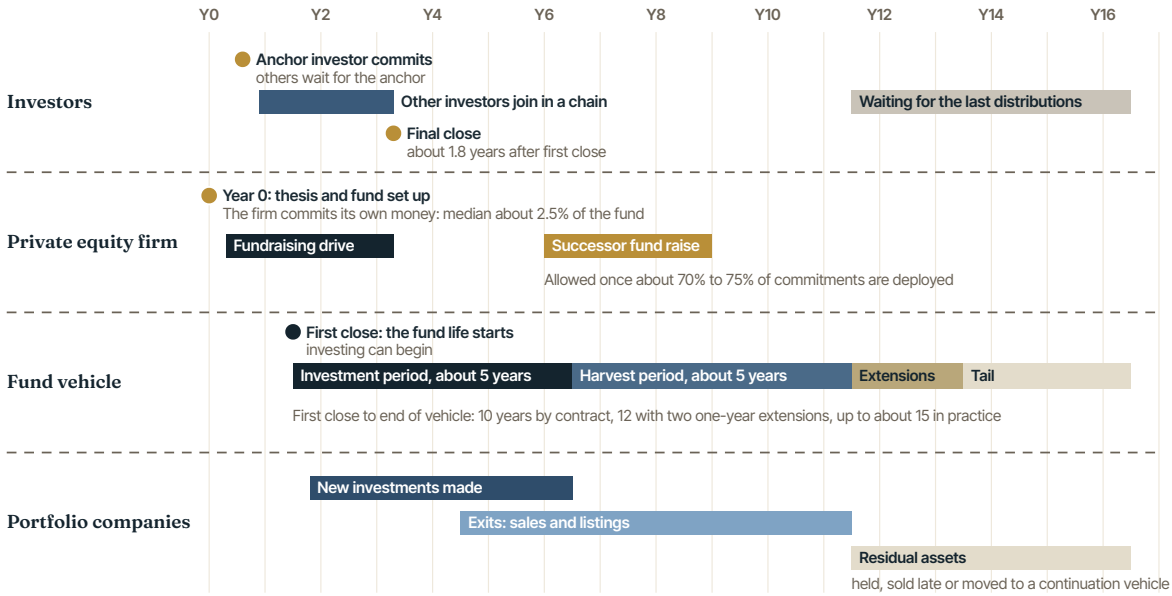


SOURCE Odit Frontier Partners.

Figure 0.2 shows the life of a Species A fund year by year, from the private equity firm's decision to raise it to the point where the fund is closed. Fundraising for a new fund usually starts with an anchor investor: a large investor whose commitment other investors wait for before committing themselves. The fund's life formally begins at first close, the first date on which enough money has been committed for the fund to start investing. Other investors can join until final close. The fund then invests for about five years, sells its investments over about five more, and is often extended. Before the fund ends, usually once 70% to 75% of its money has been invested, the private equity firm starts raising its next fund.

Figure 0.2 SPECIES A, THE CLOSED-END PRIVATE EQUITY FUND, OVER TIME: FROM THE PRIVATE EQUITY FIRM'S DECISION TO RAISE THE FUND TO THE FUND'S CLOSURE

NOTE This shows a typical sequence, not a forecast for any particular fund. Durations are typical contract terms and published market averages (medians); individual funds vary widely.



YEARS FROM THE GENERAL PARTNER'S DECISION TO RAISE. ILLUSTRATIVE: FIRST CLOSE SHOWN AT YEAR 1.5.

SOURCE Carta, Fund Economics Report 2025 (general partner commitment: private equity median 2.55% of fund size; venture capital median 1.7%). Goodwin, How much must managers deploy from an existing fund before starting a successor, 21 September 2023 (70% to 75% deployment threshold). Angel Investors Network, Fund extensions and harvest periods, 2026 (10-year term, investment and harvest periods, two one-year extensions). M. Barker, PSG Capital, Beyond the ten-year fund: permanent capital as a potential African alternative, DealMakers Africa (closed-end fund lives of ten years, sometimes twelve to fifteen). AVCA, Q2 2026 African Private Capital Report (time to final close, 1.8 years). OFP LinkedIn Intelligence Register, read as at 14 November 2026 (anchor-led closes).

Table 0.2 lists the nine forces, shows which part of a Species A fund each one attaches to, and states the question each one forces the fund to answer. That question is the requirement the force puts under pressure. Section 2 explains each force in turn.

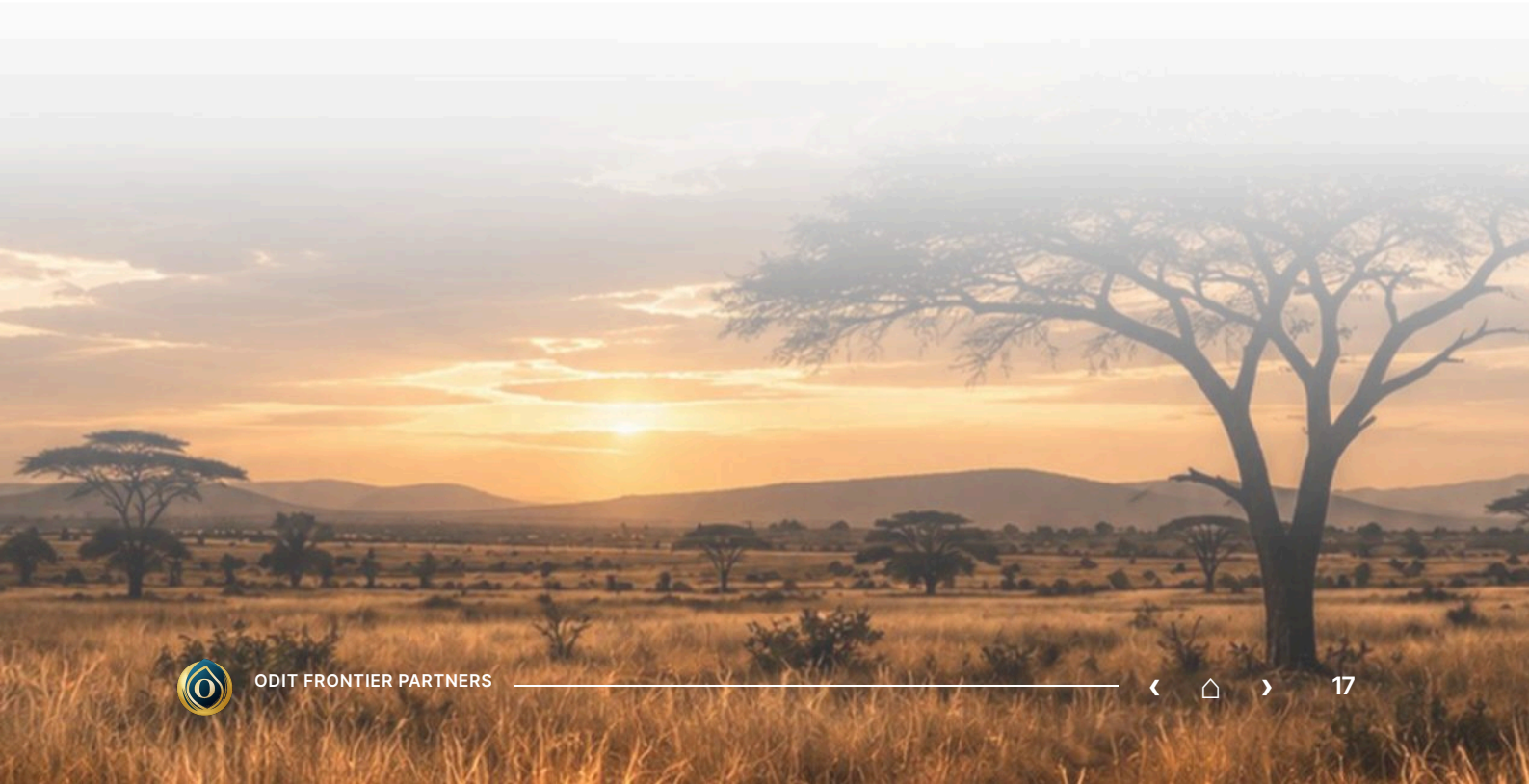


Table 0.2 THE NINE FORCES AND WHERE EACH ATTACHES TO A SPECIES A CLOSED-END PRIVATE EQUITY FUND

NOTE One row per force, in the order used throughout this note. The sub-forces are set out under Forces 03 and 08.

Force	Name	Where it attaches	What it attacks, and the question it raises
01	AI Subsumption	The management company's cost base and fee	**Price**: Why should the fund cost what it costs?
02	Operator Subsumption	The fund's ownership of the portfolio: the intermediary step between capital and company	**Necessity**: Why does this intermediary need to exist?
03	Proof-of-Concept Subsumption	The commitment from limited partners to the fund	**Proof**: What evidence shows that it turns capital into the promised outcome?
04	AI-Native Entrant Subsumption	The private equity firm's organisation and workflow	**Operating model**: Does this kind of organisation still need to exist to do the work?
05	Private Credit and Evergreen Liquidity Contradiction	The fund vehicle and its promise of liquidity to its limited partners	**Liquidity architecture**: Do its promises to let investors out match how quickly its assets can be sold?
06	Development-Capital Compression	Non-local limited partners: development finance	**Institutional runway**: How long can it go on being funded on the terms that formed it?
07	Local Capital Rescue Subsumption	Local limited partners: domestic institutions	**Reason for receiving capital**: Given other uses for their money, why should local investors put it here?
08	Thematic Mandate Compression	The companies the fund's rules (its mandate) allow it to buy	**Investable universe**: Are there enough companies to buy inside the themes investors now want?
09	Financing-Stack Subsumption	The company's choice between equity and other routes	**Financing uniqueness**: Why should a company take equity when a loan meets the same need?

SOURCE Odit Frontier Partners. Requirements as set out in Where the Nine Forces Attach, Section 2.

Table 0.3 sets out who the actors in a Species A fund are, what role each plays, and which forces press on each. It is a reference for the rest of the note, which refers to these actors by the names given here.



Table 0.3 THE ACTORS IN A SPECIES A CLOSED-END PRIVATE EQUITY FUND, AND WHAT EACH DOES

NOTE The standard actors in a closed-end fund, in plain words. Their legal names differ by jurisdiction; their roles do not.

Actor	Role, in one line	What it does in a Species A fund
Limited partners: local	Domestic investors who commit money	African pension funds, insurers and other domestic pools of money. They commit capital for the life of the fund. Force 07 examines whether they can replace the investors described below.
Limited partners: non-local, development finance	Government-owned investors with a development purpose	Development finance institutions, multilateral banks and donor-backed capital. They are named in 49 of the 58 African funds in the register that disclose their investors. Force 06 examines how their capital is being reallocated.
Limited partners: non-local, commercial and global	Investors seeking a financial return	Funds of funds, family offices and global investors. They commit only where the expected return justifies locking money in for ten years.
General partner (the private equity firm)	Raises the fund and runs it	Finds companies, invests, oversees them and sells them. It earns a management fee for running the fund and carried interest on profits. Forces 01 and 04 attach here.
The fund	The legal vehicle that holds the money and the investments	A closed-end limited partnership with a fixed life and a mandate set when it is raised. Forces 03 and 05 attach to it.
Portfolio companies	The businesses the fund invests in	They receive equity in return for ownership and oversight, and the fund must later sell its stake. Forces 02, 08 and 09 attach to the step between the fund and these companies.

SOURCE Odit Frontier Partners.

B

SECTION 0 · PART 3 OF 3

Always open, never finished: Species B, the evergreen private equity or private credit fund

A private equity or private credit fund with no end date, which investors keep joining and leaving

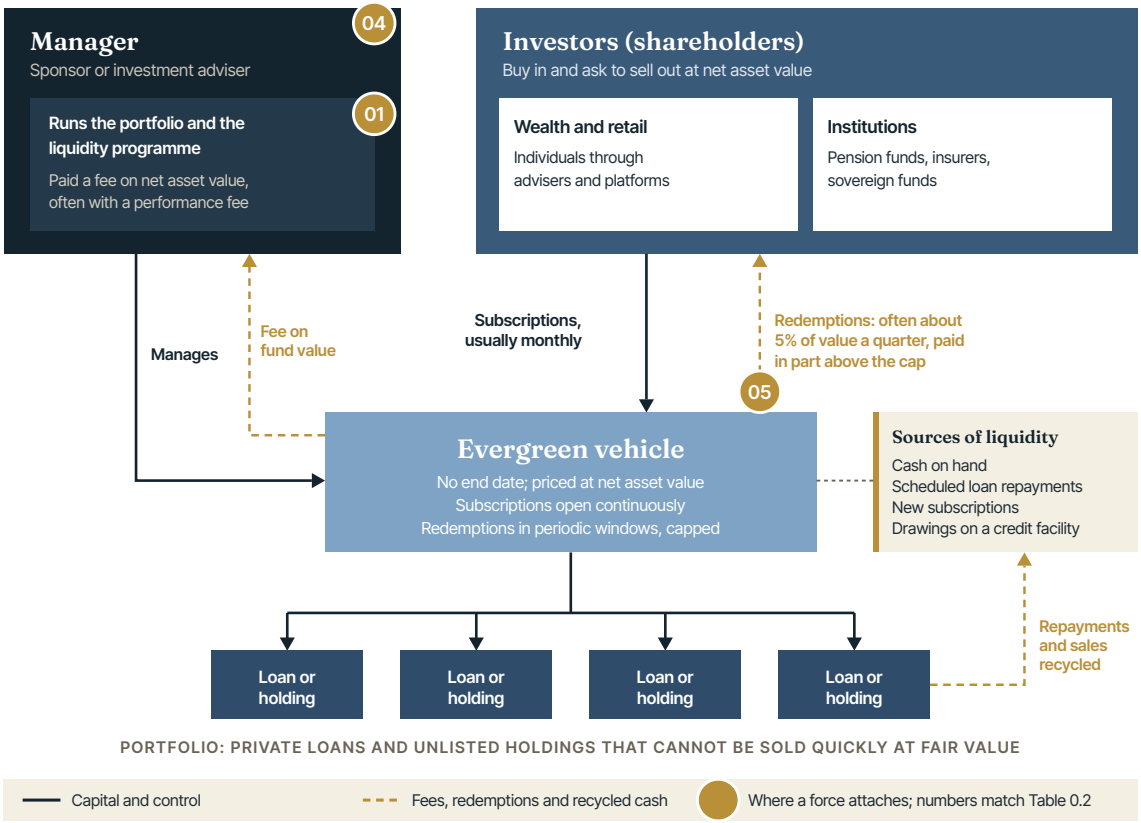
Species B, the evergreen fund, never closes, so its fund manager never has to raise a new fund. Investors buy into it at the current value of its investments, called net asset value. At set intervals, usually every quarter, they can ask the fund to buy their shares back. The fund manager pays them from the fund's cash, loan repayments, new investors' money and borrowing, but only up to a limit, often about 5% of the fund's value each quarter. If more investors ask to leave than the limit allows, each receives only part of what they asked for and the rest must wait for the next interval. The weak point of Species B is therefore its promise to let investors take their money out, because the loans and shares it holds cannot be sold quickly. Force 05 examines this weak point and shows what happened when it was tested in 2026. Figure 0.3 shows how a Species B fund is organised and marks the three forces that attach to it most directly: Force 05 at the promise to let investors out, and Forces 01 and 04 at the fund manager, as with Species A.

IMPORTANT CAVEAT

The Species B fund drawn in this section is the form used in the United States and Europe, not the usual African form. In the United States and Europe, evergreen funds let investors ask for their money back at set intervals, and that is the form tested by the 2026 evidence in Force 05. Most African funds described as evergreen also have no end date, but they do not let investors withdraw at set intervals: investors get out by selling on a stock exchange or in a one-off sale. Species B is drawn here because that form is now being offered on emerging-market private credit, where African companies borrow, and Force 05 examines what it would bring with it.

Figure 0.3 SPECIES B, THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND, AND WHERE THE FORCES ATTACH

NOTE The figure is drawn in the same way as Figure 0.1. It shows the form used in the United States and Europe; see the caveat above.

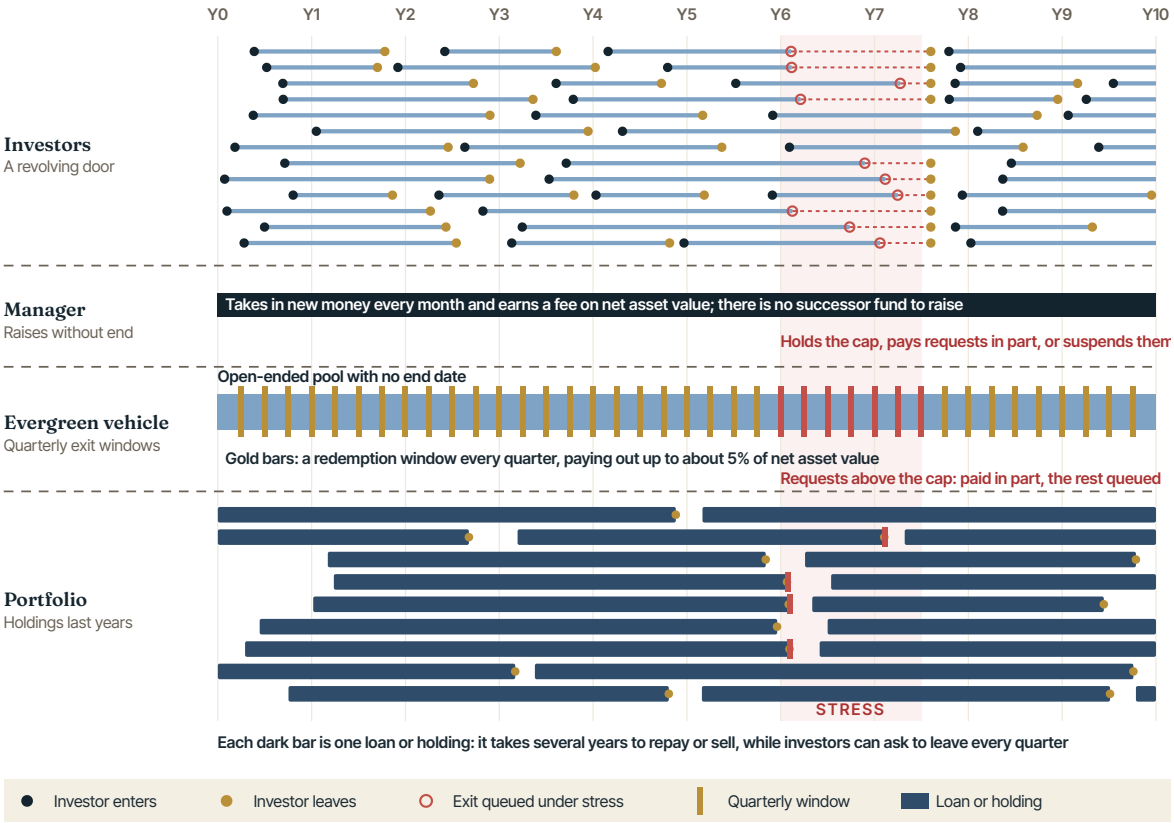


SOURCE Financial Stability Board, Report on Vulnerabilities in Private Credit, 6 May 2026. International Monetary Fund, Global Financial Stability Report, April 2026. BCRED tender offer exhibit filed with the SEC, 4 June 2026. Robert A. Stanger & Co. data via AltsWire, 2026. Starwood REIT filings, 2024 and 2026. As cited in Force 05.

Figure 0.4 shows a Species B fund over ten years in four layers, and makes one mismatch visible: investors can ask to leave every quarter, but the loans and investments the fund holds take years to be repaid or sold. The top layer shows individual investors joining and leaving at different times. The second shows the fund manager raising money continuously. The third marks each quarterly date on which investors can ask to leave. The bottom layer shows each loan or investment as a bar several years long. The shaded band shows what happens during a period of stress.

Figure 0.4 SPECIES B, THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND, OVER TIME, FROM THE FUND'S LAUNCH ONWARD

NOTE The figure has four layers covering ten years. Investors join and leave continuously, each staying for a different length of time. The fund lets them ask to leave every quarter, while each loan or investment it holds takes several years to be repaid or sold. The period of stress is placed at years 6 to 7.5 only to show how it works. Limits and intervals vary from fund to fund; in the evidence cited in Force 05 the usual limit is about 5% of the fund's value per quarter.

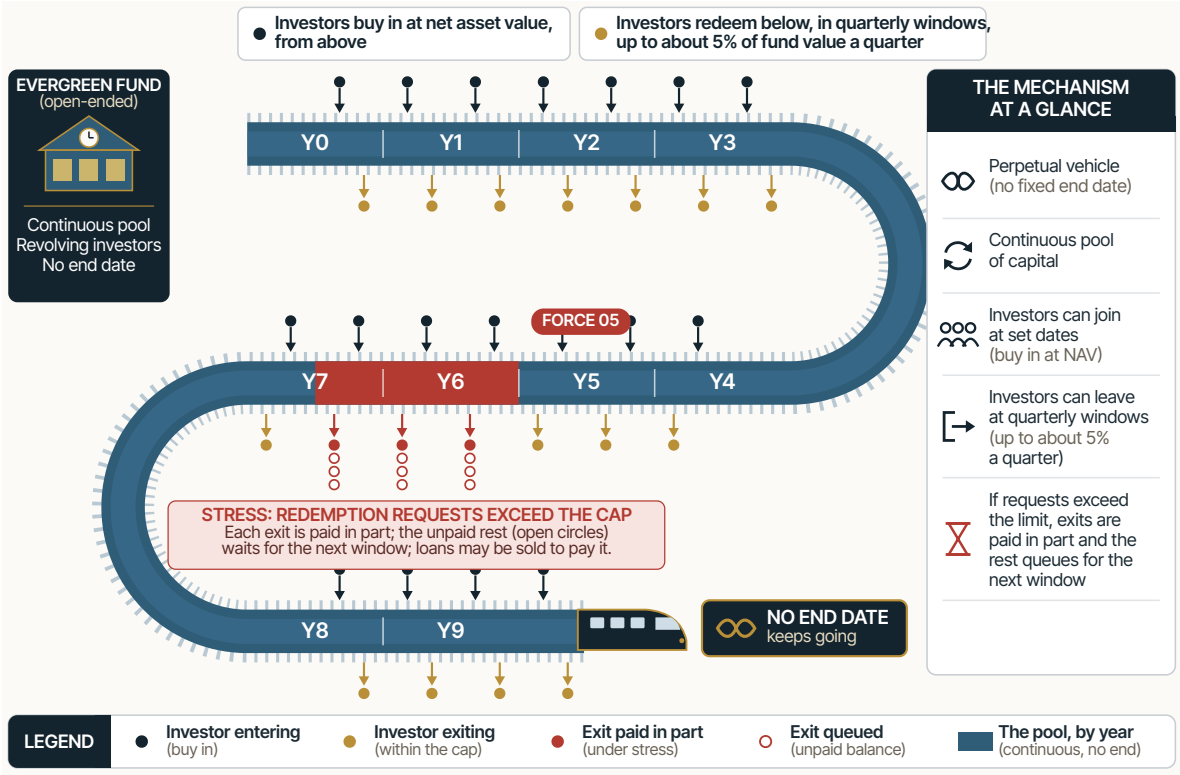


SOURCE Financial Stability Board, Report on Vulnerabilities in Private Credit, 6 May 2026. International Monetary Fund, Global Financial Stability Report, April 2026. BCRED tender offer exhibit filed with the SEC, 4 June 2026. Robert A. Stanger & Co. data via AltsWire, 2026. Starwood REIT filings, 2024 and 2026. As cited in Force 05.

Figure 0.5 shows the same fund as a single pool of money that never stops, with investors joining and leaving around it. It is the simplest picture of Species B: new investors' money flows in from above, money flows out to departing investors below, and during a period of stress the departing investors build up into a queue.

Figure 0.5 SPECIES B AS A REVOLVING DOOR: THE EVERGREEN FUND KEEPS RUNNING WHILE ITS INVESTORS JOIN AND LEAVE

NOTE This is the same fund as in Figure 0.4, drawn as a single pool of money with no end. Investors join from above and leave from below on each quarterly date. In the period of stress, placed at years 6 to 7.5 only to show how it works, more investors ask to leave than the limit allows: each is paid in part and the rest waits in a queue, shown as open circles.

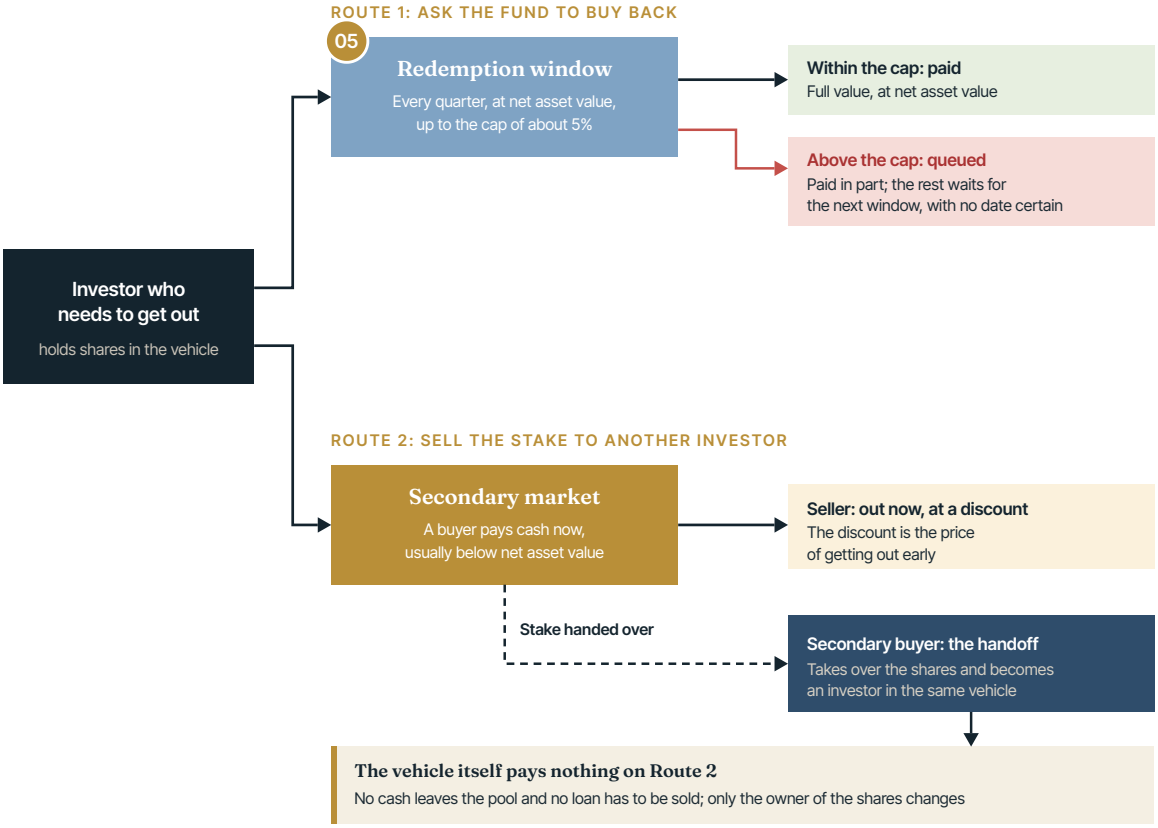


SOURCE Financial Stability Board, Report on Vulnerabilities in Private Credit, 6 May 2026. BCRED tender offer exhibit filed with the SEC, 4 June 2026. Robert A. Stanger & Co. data via AltsWire, 2026. As cited in Force 05.

An investor in Species B who needs their money back sooner than the fund's withdrawal limits allow has a second way out: selling their shares to another investor. The first route is to ask the fund to buy the shares back on one of its set dates. The fund pays the current value of the shares, but only up to its limit, so in a period of stress part of the request has to wait. The second route is to sell the shares to another investor on what is called the secondary market. That buyer pays cash straight away, usually at less than the current value, then holds the shares and becomes an investor in the same fund. Figure 0.6 shows both routes. On the second route no cash leaves the fund: the cost of leaving early is borne by the seller, as the gap between the price received and the current value.

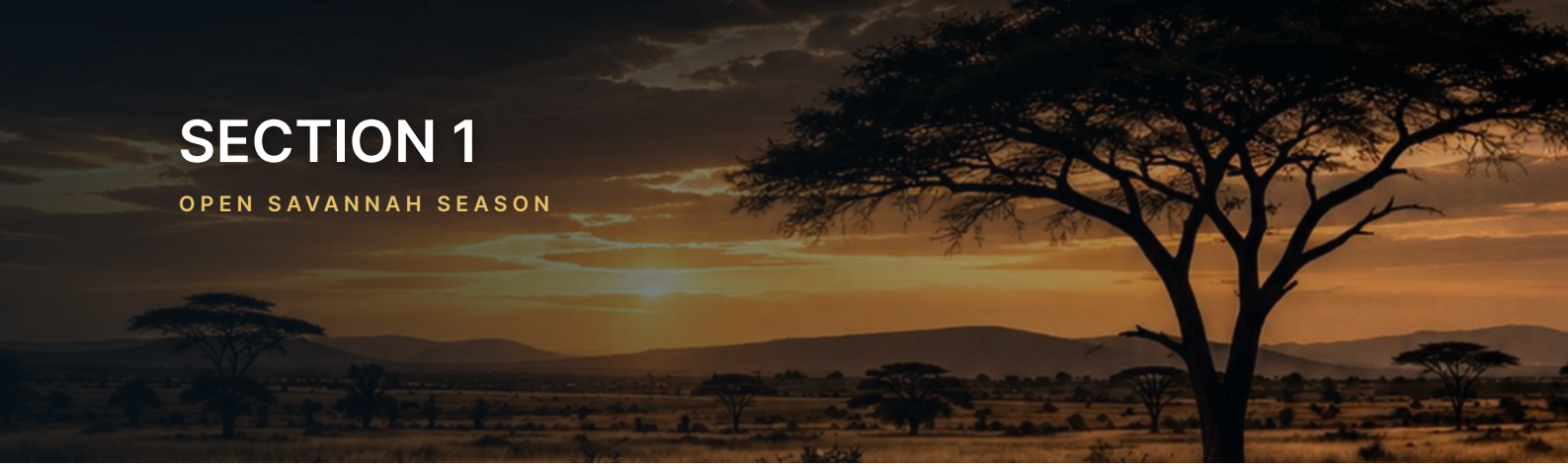
Figure 0.6 SPECIES B: TWO WAYS OUT OF AN EVERGREEN FUND FOR AN INVESTOR WHO NEEDS MONEY BACK, SELLING SHARES TO THE FUND OR TO ANOTHER INVESTOR

NOTE The first route is the quarterly withdrawal shown in Figure 0.4. The second is a sale of the shares to another investor. The size of the discount the seller accepts varies by fund and by market conditions and is not shown.



SOURCE Odit Frontier Partners, Private Capital Markets Intelligence Briefing PCMIB-001, read as at 2 November 2026 (secondary-market discounts and the cost of manufacturing liquidity). Reuters, Private credit roundup: discounts show the cost of getting out, 17 July 2026. As cited in Force 05.

In short, Species A locks investors in until its investments are sold, and Species B lets them out a little at a time while its investments take years to sell. Both are answers to the same dilemma, and neither removes it: Species A pushes the strain to the end of the fund's life, and Species B pushes it into the quarterly withdrawal dates. The nine forces that follow press on both, at the points marked in Figures 0.1 and 0.3.



SECTION 1

OPEN SAVANNAH SEASON

1 The Savannah Opens

The range of markets from the protected paddock to the open savannah, and why the African private equity fund was built close to the paddock

A

SECTION 1 · PART 1 OF 3

From paddock to savannah: how much competition a market allows

The range of competitive conditions, the signs of each, and where the African private equity fund was built

A market is an ecosystem in which players compete for resources, most of which are scarce. In the market for private capital in Africa, the players are fund managers, the investors who back them, the companies they invest in, and the banks, lenders and other providers of capital that compete with them. The scarce resources they compete for are investors' money, good companies to invest in, reliable information, skilled people and credibility. How hard that competition is depends on how easily new players can enter the market and how freely buyers can switch to an alternative.

Competition in any market sits somewhere on a range between two extremes, which this note calls the paddock and the open savannah. At the paddock end, fences keep rivals and substitutes out. At the open savannah end, there are no fences: anyone can enter and every buyer can go elsewhere. Most markets sit somewhere in between. Figure 1.1 shows the range.

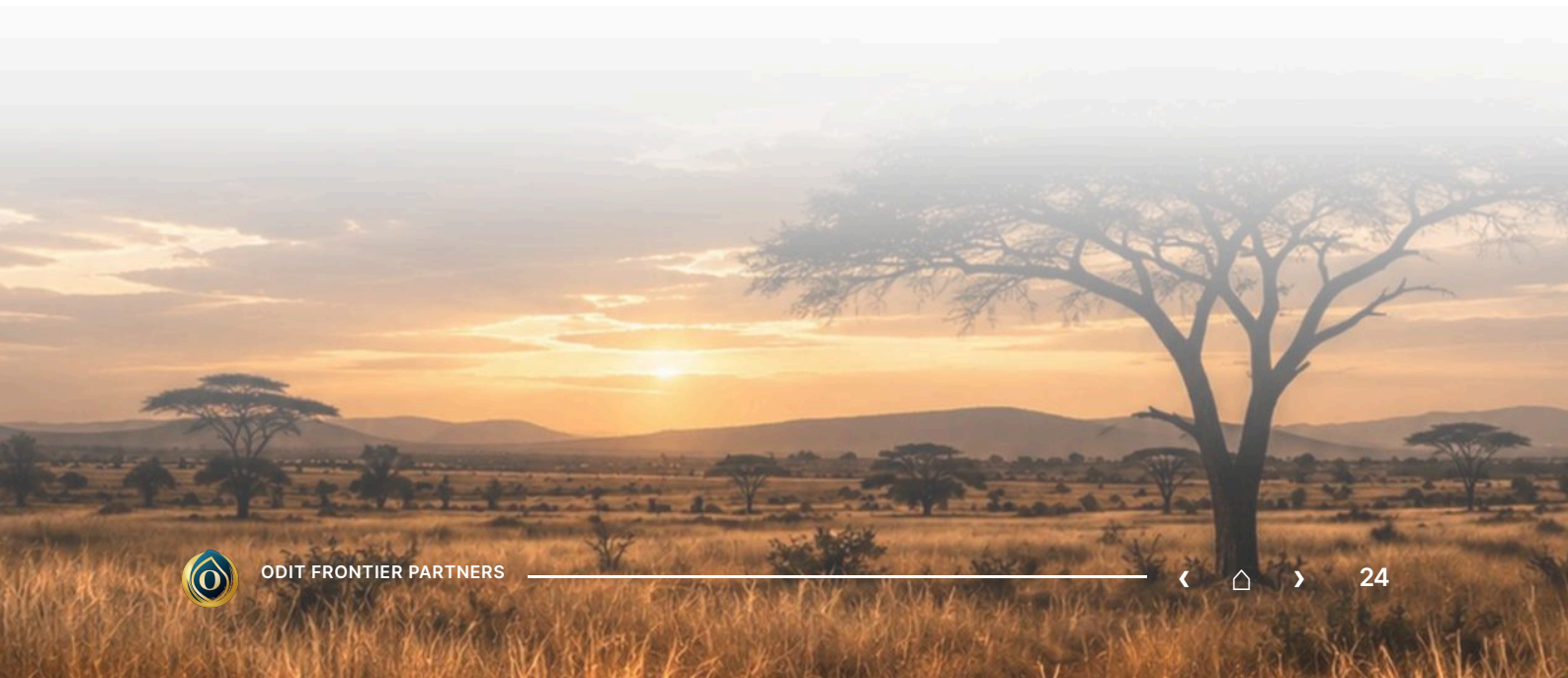
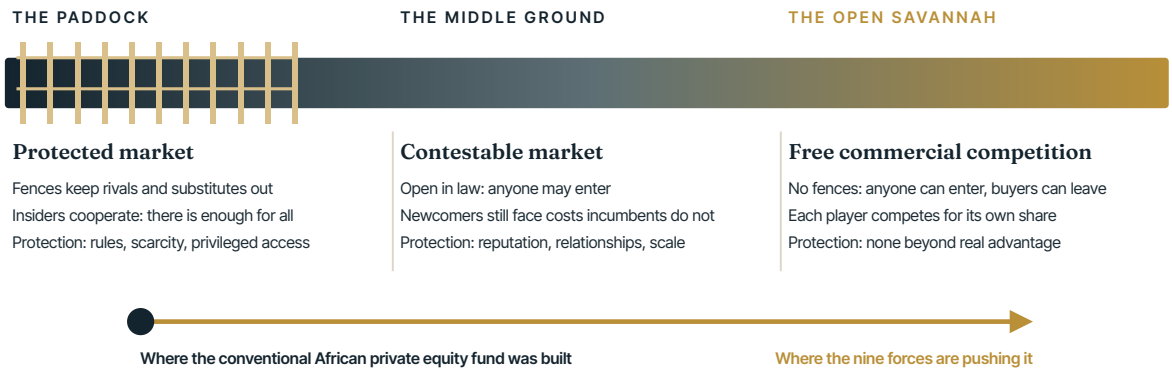


Figure 1.1 FROM PADDOCK TO SAVANNAH: THE RANGE OF COMPETITIVE CONDITIONS A PRIVATE EQUITY FUND CAN OPERATE IN

NOTE The three positions are points on a continuous range, not separate categories. The placing of the African private equity fund is this note's proposition, set out in the text below and in Table 1.2.



SOURCE W. J. Baumol, J. C. Panzar and R. D. Willig, Contestable Markets and the Theory of Industry Structure, 1982 (contestable markets). Placing of the African private equity fund: Odit Frontier Partners.

In the paddock, a business survives by being inside the fence, not by being better than its rivals. The fences can be rules, such as licences that only a few may hold, or they can be scarcity, privileged access and a recognised name that newcomers cannot easily acquire. Prices and fees stay high, the same few players keep their positions for long periods, and weak performance can continue without the business losing its place. Because the fence keeps outsiders away and there is enough inside for everyone, the players inside can afford to cooperate with one another: they share deals, refer business, invest alongside each other, follow common norms and speak with one voice. That cooperation is a sign of the paddock, and it also helps hold the fence up.

In the middle ground, which economists call a contestable market, the market is open in law but still tilted towards the players already inside it. Anyone may enter, but newcomers face costs and disadvantages that established players do not, such as the absence of a track record, of relationships or of scale. The established players keep much of their protection without any formal barrier, and the threat that newcomers might enter is often enough to keep their prices in check.

On the open savannah, a business survives only on what it does better or more cheaply than the alternatives. There are no fences. New players enter freely, buyers move to whoever serves them best, prices fall towards cost, and a player that stops performing loses its position quickly. Cooperation no longer rests on the group: a deal, an investor or a skilled person won by one player is often lost by another, so each player must win its own share, and works with others only where interests overlap. Table 1.1 sets out the signs that show where a market sits on the range.

Table 1.1 THE SIGNS OF EACH POSITION ON THE RANGE, FROM PADDOCK TO OPEN SAVANNAH

NOTE General signs that apply to any market. They are tendencies, not strict tests: a market can show signs from more than one position at once.

Sign	The paddock: protected market	The middle ground: contestable market	The open savannah: free commercial competition
Who can enter	Only those inside the fence	Anyone in law, but newcomers pay costs that established players do not	Anyone, at little cost
Can buyers switch?	Rarely: few or no alternatives	Yes, but switching is costly or slow	Easily: many alternatives
Prices and fees	High, and stable over time	Held in check by the threat of new entrants	Pushed down towards cost
Who holds the leading positions	The same few players for long periods	Mostly the established players, with some newcomers breaking through	Positions change often
What happens to weak performance	It can persist without consequence	It is punished slowly	It is punished quickly
Information	Scarce and held by insiders	Unevenly spread	Widely available
How players treat one another	They cooperate: shared deals, referrals, co-investment and common norms, because the fence leaves enough for all	Cooperation among established players, with newcomers often left outside it	Each competes for its own share and collaborates case by case, where interests overlap: today's collaborator may be tomorrow's competitor
What a business survives on	Being inside the fence	Being established: track record, relationships and scale	Being better or cheaper than the alternatives

SOURCE J. S. Bain, Barriers to New Competition, 1956; W. J. Baumol, J. C. Panzar and R. D. Willig, Contestable Markets and the Theory of Industry Structure, 1982; M. E. Porter, How Competitive Forces Shape Strategy, Harvard Business Review, 1979. Arrangement: Odit Frontier Partners.

B

SECTION 1 · PART 2 OF 3

Close to the paddock: where the African private equity fund sat, why, and how that protected it

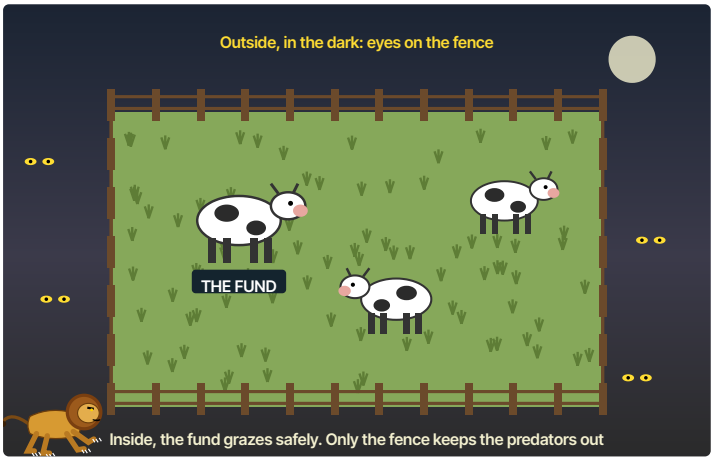
Reading the signs in Table 1.1 against the African private equity fund, and tracing each protection to the part of Species A and Species B it shielded

Read against the signs in Table 1.1, the African private equity fund sat for most of its history close to the paddock end of the range. Reliable information about African companies was scarce and held by a few insiders. Access to deals and to investors ran through a small number of relationships. The same established fund managers kept their positions across successive funds. Realised performance was rarely published, so weak results could persist without costing a fund manager its place. And the players inside, fund managers and the development finance institutions that backed them, could invest alongside one another because there was enough inside the fence for all. This note calls that fence the enclosure.

Figures 1.2 to 1.4 place the same African private equity fund at each of the three positions on the range, and show it as prey among predators. The predators are aggressive commercial competitors, newcomers and established players alike, such as banks, credit funds, development finance institutions investing directly and well-capitalised global firms, that take the deals, investors and people the fund depends on. In the paddock the fund grazes safely while predators circle outside the fence. In the middle ground predators slip in through gaps and begin to stalk it. On the open savannah there is no fence and the fund is hunted in the open. The African private equity fund was built for the first picture and now stands in the third.

Figure 1.2 THE AFRICAN PRIVATE EQUITY FUND IN THE PADDOCK: A PROTECTED MARKET

NOTE Illustrative. The cows stand for African private equity funds; the cow labelled THE FUND is the fund this note is about. The lions and hyenas stand for predators: aggressive commercial competitors, both newcomers and larger established capital providers, that take the deals, investors and people the fund depends on.



POSITION 1

The paddock

Protected market: safe from predators

How the fund behaves
Grazes in safety: deals and investors come to it through the fence

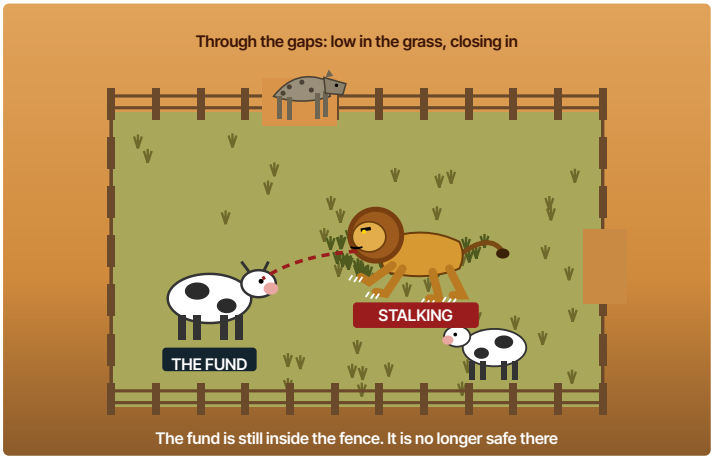
Predators
Kept outside: they watch, but cannot reach it

When it underperforms
Keeps its place: no predator can take it

SOURCE Odit Frontier Partners.

Figure 1.3 THE AFRICAN PRIVATE EQUITY FUND IN THE MIDDLE GROUND: A CONTESTABLE MARKET

NOTE Illustrative. The cows, lions and hyenas stand for the same players as in Figure 1.2.



POSITION 2

The middle ground

Contestable market: predators get in

How the fund behaves
Still grazes first, on track record, relationships and scale

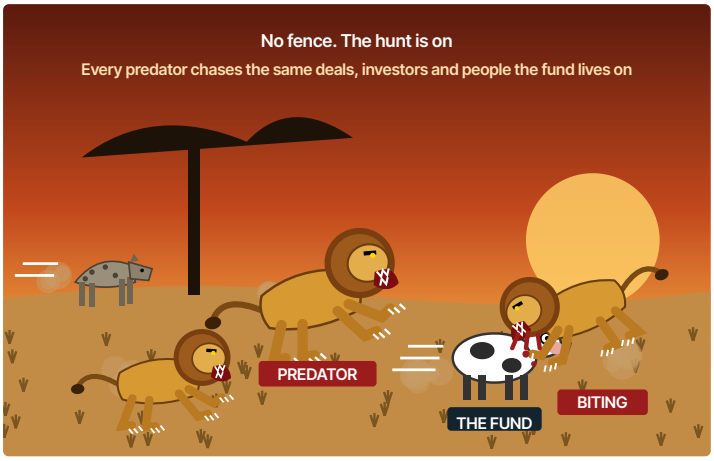
Predators
Slip through the gaps and stalk its deals, investors and people

When it underperforms
Is picked off: the weak and the slow are taken first

SOURCE Odit Frontier Partners.

Figure 1.4 THE AFRICAN PRIVATE EQUITY FUND ON THE OPEN SAVANNAH: FREE COMMERCIAL COMPETITION

NOTE Illustrative. The cows, lions and hyenas stand for the same players as in Figure 1.2.



POSITION 3

The open savannah

Free commercial competition: predator and prey

How the fund behaves
Is hunted: it must outrun or out-compete every predator

Predators
Each hunts for itself: what one takes, the fund loses

When it underperforms
Is taken quickly: investors and companies go to the stronger

SOURCE Odit Frontier Partners.

The fence was rarely built of rules, and most of it was not built on purpose. It grew out of the work needed to build a young market: research, common terms, engagement with regulators, investor education, standards, credible information and trusted routes between capital and companies. That work solved real problems, and the fund managers who did it were doing necessary work. But what it left behind was scarcity: of reliable information, of access to deals and investors, of credible ways of moving capital, and of recognised standing. A fund manager that had these could see deals others could not see, reach investors others could not reach, afford analysis others could not afford, and carry a recognised label that brought its own presumption of legitimacy.

Each part of that fence protected a specific part of the fund models drawn in Section 0. Table 1.2 lists each type of protection, how it showed in the African private equity fund, the part of Species A or Species B it protected, and which of the nine forces is now removing it. The parts of the fund are the attachment points marked in Figures 0.1 and 0.3.

Table 1.2 THE ENCLOSURE INVENTORY: EACH TYPE OF PROTECTION, HOW IT SHOWED, THE PART OF THE FUND IT PROTECTED, AND WHAT IS REMOVING IT

NOTE The protections are numbered I to IX, separately from the nine forces. Their names follow the standard economic names for protections from competition. Regulation and licensing, the most common protection in other industries, is not listed: it was not a significant part of the African private equity fund's protection. Force 08 has no row: it removes no old protection, but narrows the investable universe, a pressure that starts with investors' thematic preferences and passes through the fund's mandate, sourcing and deployment. The Now column is this note's reading of the evidence in Section 2.

Protection	How it showed in the African private equity fund	Part of the fund it protected	Force acting on it	Now	What is actually taken away
I. Analytical and information advantage	Analytical capacity expensive enough that few could afford it, and information about companies scarce and unevenly held	Species A and B: the fund manager's cost base and fee	Force 01: AI Subsumption	Falling	The production cost of the analysis, which falls until the capability itself stops being scarce

Protection	How it showed in the African private equity fund	Part of the fund it protected	Force acting on it	Now	What is actually taken away
II. Control of access	Limited operator capability, and proprietary capital routes	Species A: the fund's place between investors and companies	Force 02: Operator Subsumption	Falling	The capability gap and the exclusivity of the route, as operators build finance and syndication in house and capital reaches them directly
III. Presumed legitimacy	Realised performance rarely published, and category membership carrying its own legitimacy	Species A: investors' commitment to the next fund	Force 03: Proof-of-Concept Subsumption	Falling	The licence to stay opaque, and the presumption that a recognised institutional form is self-justifying
IV. One standard way of working	Inherited process architecture, shared by everyone alike	Species A and B: the fund manager's organisation and workflow	Force 04: AI-Native Entrant Subsumption	Falling	The shared production architecture, once institutions exist that were never built around manual constraints at all
V. No substitutes	Few competing structures, so investors accepted the closed-end lock-up and no promise to let investors out was ever tested	Species A: the fund vehicle. Species B: the promise to let investors out	Force 05: Private Credit and Evergreen Liquidity Contradiction	Falling	The absence of competing structures, and with it the assumption that an untested liquidity promise holds
VI. Subsidised runway	A runway supplied by development-mandated capital	Species A: non-local investors, development finance	Force 06: Development-Capital Compression	Swings with policy	Not the function, which nothing has taken, but the pressure behind it, as the budgets that fund it are reallocated at source
VII. Local capital as backstop	Local capital assumed to be waiting as a fallback	Species A: local investors, domestic institutions	Force 07: Local Capital Rescue Subsumption	Held back	Not the money, which is still being invested, but the assumption that domestic capital can rescue the existing fund architecture automatically: that remains unproven, and turns on evidence of performance as well as on currency, liquidity and fiduciary limits
VIII. Few alternatives to equity	Limited suitable alternatives to equity for many growth companies	Species A: the companies the fund invests in	Force 09: Financing-Stack Subsumption	Falling	The shortage of alternatives, as lenders and fintechs size credit on a business's own data; debt rose from 17% of African technology funding in 2019 to 41% in 2025

SOURCE Types of protection: J. S. Bain, Barriers to New Competition, 1956; M. E. Porter, How Competitive Forces Shape Strategy, Harvard Business Review, 1979. Application to the African private equity fund and the parts of the fund protected, following Table 0.2: Odit Frontier Partners. Debt share: Partech, 2025 Africa Tech VC Report, as cited in Force 09.

For Species A, the closed-end private equity fund, the fence meant that a fund manager could raise its next fund without having to prove that the last one had made money. Investors committed on the strength of the fund manager's name, its relationships and the backing of development finance institutions rather than on published returns, and the fee was set by what few others could supply rather than by what the work cost. The fence also kept out the alternatives a company or an investor might otherwise have chosen: direct finance to the company, credit instead of equity, and fund managers built differently.

For Species B, the evergreen fund, the fence meant that its central promise, to let investors out at set intervals, was never tested in Africa. Few alternative structures competed with the closed-end fund, and most African funds described as evergreen do not offer withdrawals at set intervals at all, as Force 05 explains. The question of whether the promise holds under pressure was therefore never put to an African vehicle.

One protection compounds all the others: reputation, built up through network effects. Where reliable information is scarce, investors' capital runs through a few relationships and track records are thin, recognition builds up around the fund managers already easiest to see, trust and reach. Repeated deals create familiarity, familiarity lowers the risk investors perceive, lower perceived risk brings more capital and more deals, and more deals produce stronger track records and still more familiarity. None of this requires anyone to keep newcomers out on purpose. These network effects alone keep a market formally open while recognition and access stay concentrated: the contestable middle ground in Figure 1.1.

The enclosure endured because the conditions that created it endured. African private equity was not born into a developed market with plentiful information, interchangeable routes for capital, deep institutional capacity and comparable records of performance. Much of that had to be built, and building it took decades. Table 1.3 sets out seven mechanisms that kept the protections in Table 1.2 standing. They are not further forces: they explain why the protections lasted, and they reinforced one another.

None of this required a deliberate decision to build an enclosure. What began as necessary market-building could, over time, become protection for those already inside. The original functions were often necessary; the question this note asks is whether the institutional form built to perform them remains necessary, competitive and economically justified as the conditions that supported it change. Reputation and relationships are both one of the mechanisms and the one protection still standing, which is why they connect the start of this note to its end. The open question is whether accumulated reputation becomes the incumbent's last durable advantage, or must increasingly prove the economic value it once helped investors presume.



Table 1.3 WHY THE ENCLOSURE ENDURED: SEVEN MECHANISMS THAT KEPT THE PROTECTIONS STANDING

NOTE The mechanisms explain why the protections in Table 1.2 lasted; they are not forces. Where the basis is a proposition, it is this note's historical interpretation, to be tested rather than taken as a finding.

Mechanism	What kept the enclosure standing	Protections it held up	Basis
1. Necessary market construction	Early investors and fund managers had to create information, common terms, credible routes for capital and investor confidence where these were missing.	I, II, III	This note's reading of Section 1
2. Development-capital patience	Capital that came to build markets and support development could wait longer, and accept more, than purely commercial money, so the commercial test of the fund could be deferred while the mission was served.	VI, III	Proposition; Force 06 sets out development finance's continuing role
3. Inherited professional architecture	The legal, financial and analytical know-how needed to form and run a fund was concentrated in a small global profession, so even acquiring the skills to challenge established fund managers was a barrier.	IV, IX	Proposition
4. Accumulated recognition and relationships	Previous access made the next access easier: familiarity, sponsorship and credibility compounded. Of first-time and emerging fund managers, 45% did not reach a first close, and those backed by a platform or sponsor reached viable size far more often.	IX, II	I&P and IETP, 2025, as cited in Force 03
5. High costs of entry and operation	Specialist staff, diligence, fund formation and many separate national markets made entry costly, especially at small fund sizes.	I, II	Proposition; cost evidence in Force 01
6. Delayed and uneven performance feedback	Fund lives of ten years or more, few published realised returns and no public Africa-specific benchmark meant fundraising success could not easily be told apart from investment performance.	III	Force 03, the evidence ladder
7. Limited practical substitutes	For many investors and companies, the established fund offered access or financing that was hard to obtain another way.	V, VIII	Partech, as cited in Force 09

SOURCE Odit Frontier Partners. I&P and IETP, How can African SME funds mobilise more capital, 28 January 2025. Partech, 2025 Africa Tech VC Report, 22 January 2026.

C

SECTION 1 · PART 3 OF 3

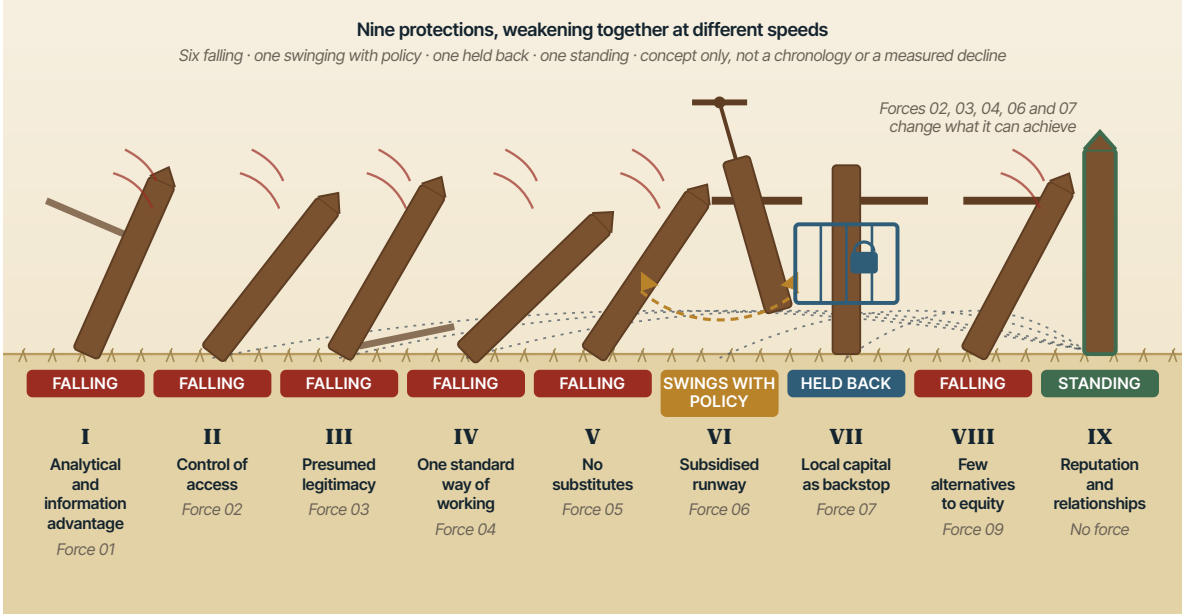
It is open savannah season: the fence around the African private equity fund is coming down

Which protections are falling, which swing, which are held back, which still stand, and what comes through the gaps

It is open savannah season for the African private equity fund: the fence that protected it is coming down, and predators are coming through the gaps. Figure 1.5 shows the fence as nine posts, one for each protection in Table 1.2. Six are falling, each because one of the nine forces is now removing the protection it stood for. One, the runway supplied by development finance, swings with government policy. One, local capital as a backstop, is held back: domestic money is still being invested, but the assumption that it can rescue the existing fund architecture automatically remains unproven. One still stands: reputation and relationships, which compound all the others and which no force attacks directly, though several change what they can achieve. The posts are not falling in turn: they weaken together, at different speeds. Through the gaps come the predators: aggressive commercial competitors after the same deals, investors and people the fund depends on.

Figure 1.5 IT IS OPEN SAVANNAH SEASON: THE NINE PROTECTIONS AROUND THE AFRICAN PRIVATE EQUITY FUND, FALLING, SWINGING, HELD BACK OR STANDING

NOTE Illustrative. Each post is one protection in Table 1.2, numbered I to IX, with the force acting on it. The posts are drawn in their present states, not in the order they fall. Falling describes the condition of a protection, not a finding that the fund managers it protected have already lost: Table 3.5 sets out how far the evidence reaches. The dotted lines mark forces that change what reputation and relationships can achieve without attacking them directly.



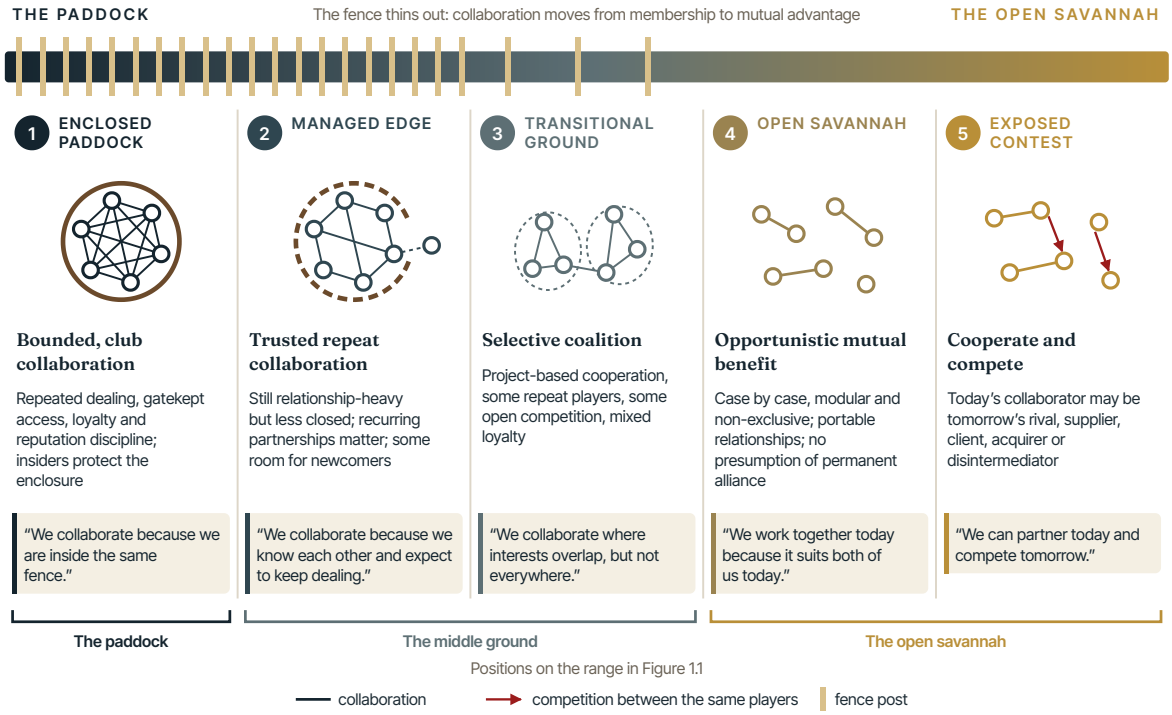
SOURCE Odit Frontier Partners, drawing on Table 1.2.

The fence is coming down from two sides at once: the market side and the funding side. From the market side, capital reaches operating companies more directly, technology cuts the cost of the analysis the fund used to charge for, other kinds of fund compete for the same investors, investors scrutinise more and concede less, and alternatives that were once theoretical now exist. From the funding side, the development finance that gave African funds their longest runway is under pressure, not because development finance institutions are abandoning their mandates but because the government budgets behind them are being reallocated. Development capital is one post of the fence, not the explanation for it: it lengthened the runway available to fund managers, and where a problem arose it lay with fund managers who mistook development legitimacy for commercial competitiveness. Force 06 sets out the evidence on both points, including the counter-evidence that development finance institutions are still committing to African funds at scale.

The movement from paddock to open savannah changes not only the economics of the fund model, but also the logic of collaboration around it. Inside the paddock, relationships tend to be more enclosed, repeated and reputation-policed. Collaboration is sustained by membership, gatekeeping and the expectation of continued dealing within the same protected terrain. In the open savannah, that logic weakens. Collaboration becomes more modular, opportunistic and case-specific. Actors work together where interests overlap, without assuming permanent alignment, and the same actors may collaborate, compete or bypass one another depending on the opportunity. Figure 1.6 shows the change in five zones along the range.

Figure 1.6 COLLABORATION LOGIC ACROSS THE PADDOCK TO SAVANNAH RANGE: FROM ENCLOSED LOYALTY TO COOPERATE AND COMPETE

NOTE Illustrative. The five zones are points along the continuous range in Figure 1.1, not separate categories. The figure shows how the logic of collaboration changes as the fence comes down; it is not a judgement that the people involved behave worse.



SOURCE Odit Frontier Partners.

The paddock protected a style of dealing as well as an economic position. It sustained stable networks, insider trust, repeated relationships and slow movement between friend and rival. On the open savannah, partnerships become lighter, the cost of switching partners falls and alliances become temporary. Reputation still matters, which is why the ninth protection still stands, but exclusivity weakens: value comes increasingly from capability and fit rather than membership.

A player that keeps the paddock's way of collaborating on the open savannah pays for it. Figure 1.7 shows what happens when a player behaves as in zone 1 of Figure 1.6, loyal, sharing and exclusive, in a zone 5 environment where the same players cooperate on one deal and compete on the next. Each habit that was rewarded inside the fence becomes a cost outside it.

Figure 1.7 ZONE 1 HABITS IN A ZONE 5 ENVIRONMENT: WHAT HAPPENS WHEN A PLAYER COLLABORATES AS IF THE FENCE WERE STILL UP

NOTE Illustrative. Zone 1 and zone 5 are the zones in Figure 1.6. The figure describes a mismatch between a way of collaborating and the environment, not the conduct of any named player.



ZONE 1 HABIT	WHAT IT EXPECTS	WHAT ZONE 5 DOES	WHAT IT COSTS
Loyalty	Expects partners to stay with it	Partners choose whoever suits each deal	**Loyalty given is not returned**
Sharing deals and information	Shares its pipeline and knowledge with partners	Today's partner can use them on the next deal	**It equips its own competitors**
Exclusivity	Commits to a few partners and turns others away	The best partner differs from deal to deal	**It loses options and fit**
Reputation	Relies on its standing to carry the relationship	Counterparties ask what it brings to this deal	**Standing without capability is discounted**
Permanence	Plans on relationships lasting	Alliances are temporary	**It is caught out when a partner becomes a rival, acquirer or disintermediator**

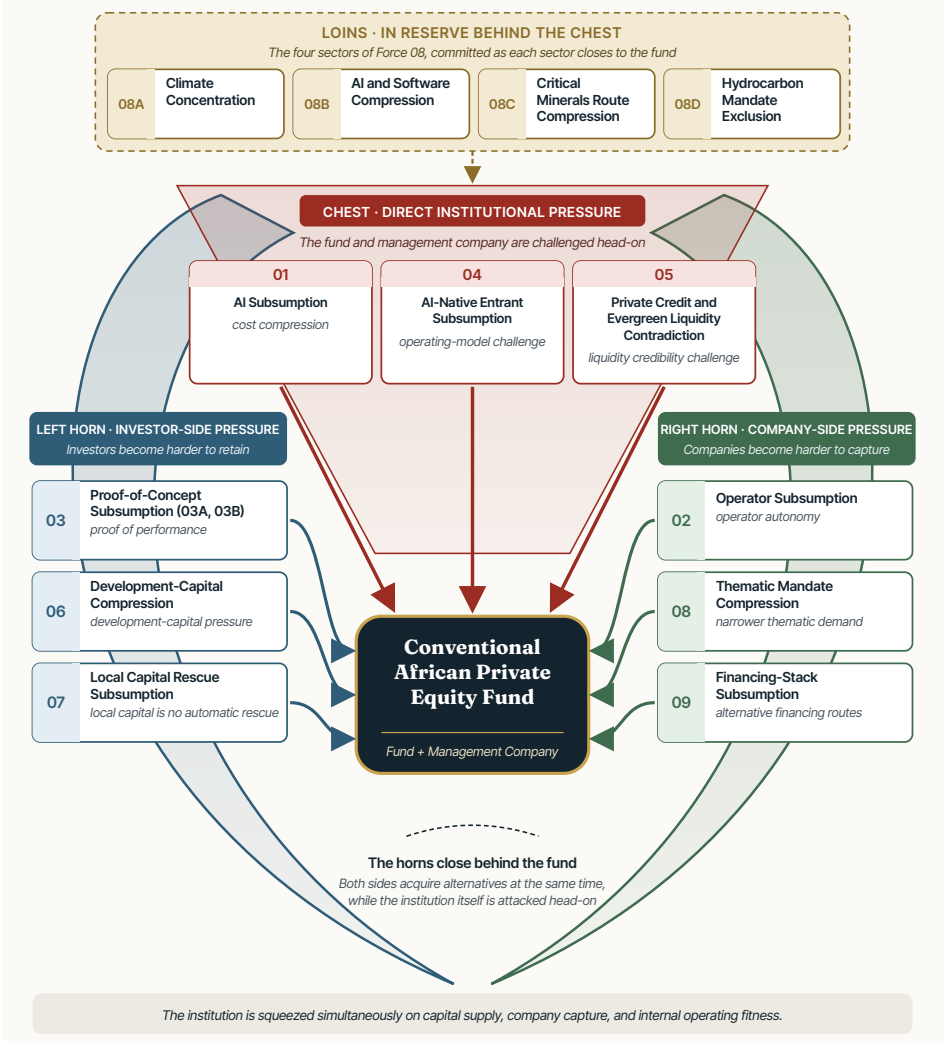
The result: the zone 1 player carries the costs of loyalty without the protection the fence gave it

SOURCE Odit Frontier Partners.

With the fence down, the nine forces close in on the African private equity fund the way the Zulu army under Shaka closed on an enemy: in the formation known as the horns of the buffalo. In that formation the chest of the army pins the enemy head-on, the two horns sweep around the flanks until they meet behind it, and the loins wait in reserve behind the chest. Figure 1.8 draws the forces in that formation. The chest is the three forces that attack the fund manager and the fund itself: Forces 01, 04 and 05. The left horn is the three forces that cut the fund off from its investors: Forces 03, 06 and 07. The right horn is the three that cut it off from the companies it invests in: Forces 02, 08 and 09. The loins are the four sub-forces of Force 08, 08A to 08D: climate, AI and software, critical minerals and hydrocarbons. The horns meet behind the fund, so there is no direction left in which to escape.

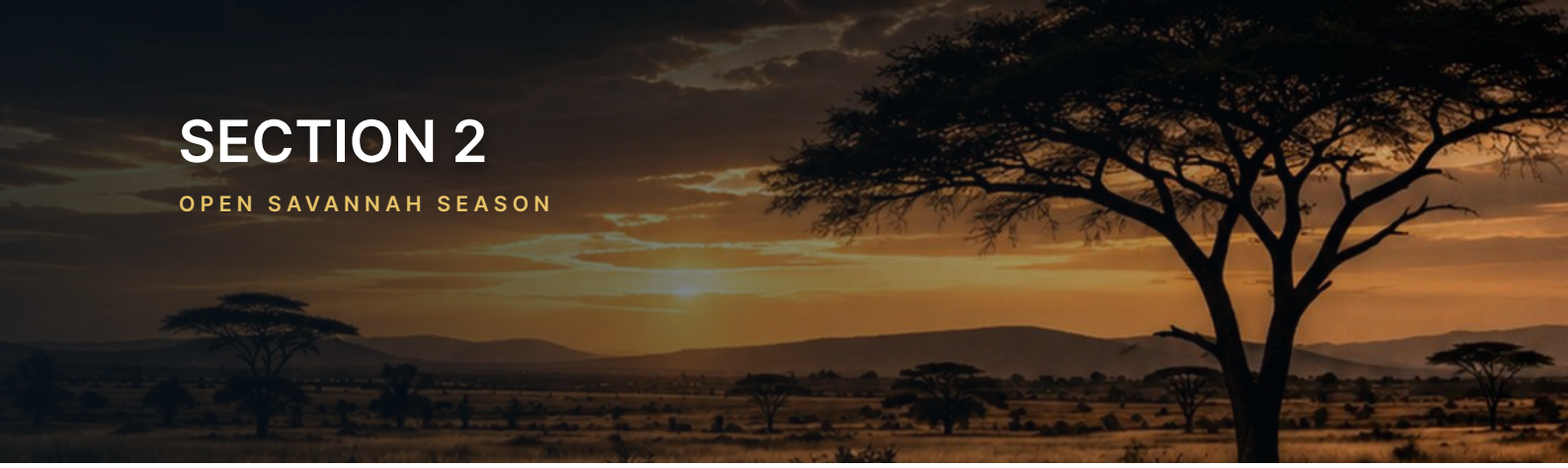
Figure 1.8 THE TWO-SIDED ENCIRCLEMENT OF THE CONVENTIONAL AFRICAN PRIVATE EQUITY FUND, IN THE HORNS OF THE BUFFALO FORMATION

NOTE The conventional African private equity fund is encircled from both sides of its business model while also being pressured directly at the centre. Each box is one of the nine forces, or one of the four sub-forces of Force 08. Their placing follows where each force attaches to the fund in Table 0.2: the manager and the fund vehicle at the front, investors on one flank, companies on the other.



SOURCE Formation: the horns of the buffalo (izimpondo zankomo), associated with the Zulu army under Shaka in the early nineteenth century. Placing of the forces: Odit Frontier Partners, following Table 0.2.

In short, the African private equity fund was built close to the paddock and now stands on open savannah: wider, more exposed, harder to hold a position on, and far less forgiving of a fund manager whose main advantage was the fence. The fence that protected it was made of scarcity rather than rules. Six of its nine posts are falling, one swings with policy, one is held back, and only reputation and relationships still stand. Through the gaps, the nine forces close in on the fund from the front and both flanks at once. Section 2 sets out each of them in turn.



SECTION 2

OPEN SAVANNAH SEASON

2 The Nine Forces

What a force is, the nine forces and what each attacks, and each force set out one by one

A

SECTION 2 · PART 1 OF 3

What a force is, and what each of the nine attacks

The nine requirements the African private equity fund must keep meeting, the force that attacks each, and the three ways the forces work

Section 1 showed the fence around the African private equity fund coming down; this section sets out what is coming through the gaps. This note calls each of these pressures a force. A force is a change in the market that attacks one of the things the fund, and the fund manager that runs it, must keep proving in order to go on receiving capital: what it costs, why it is needed, whether it delivers, and whether its promises hold. Several forces describe the fund manager as an intermediary, because it stands between the investors who supply capital and the companies that use it. There are nine forces, and each attacks a different requirement. Figure 2.1 shows the nine requirements and the question each force puts to the fund.

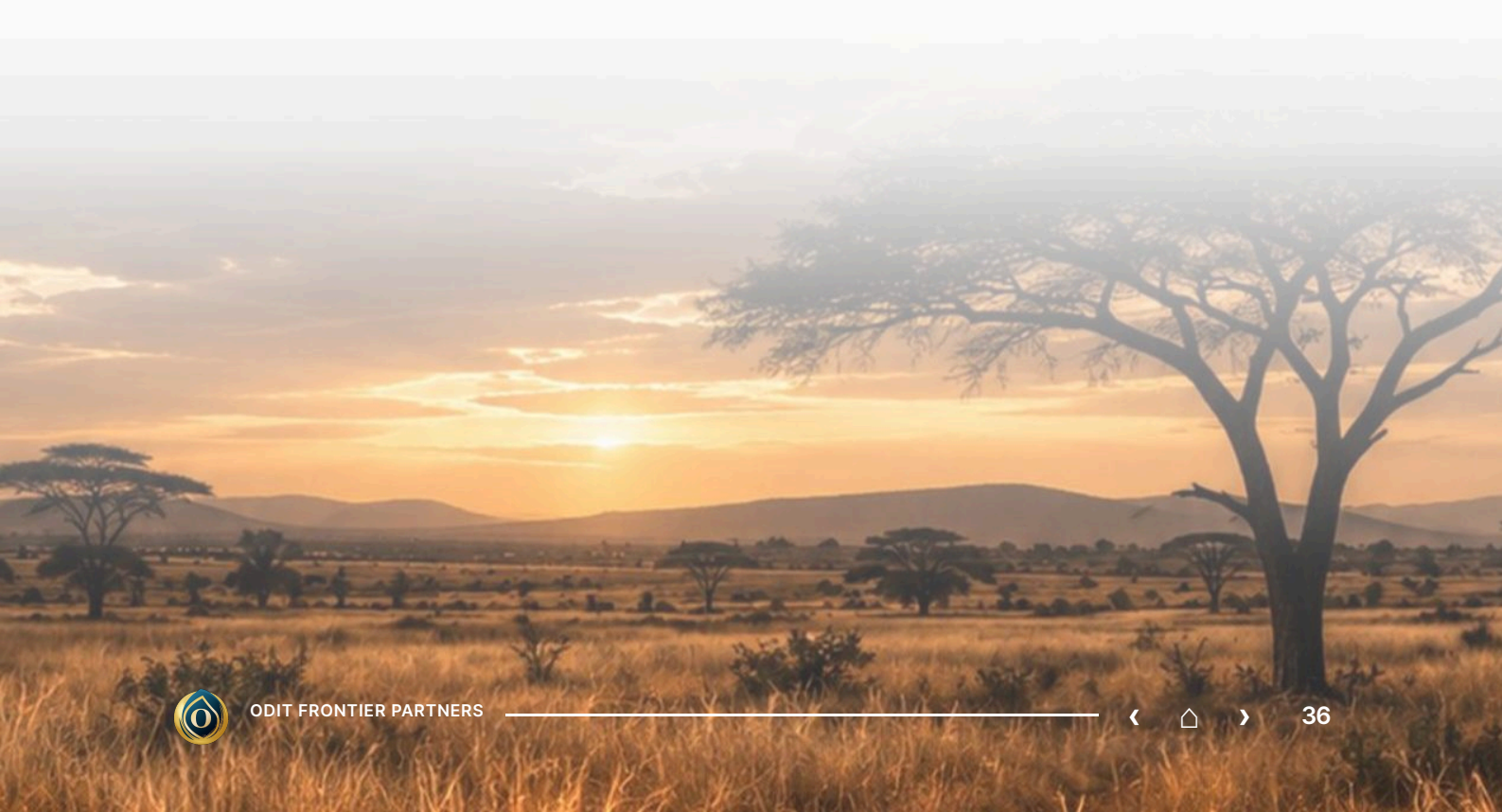


Figure 2.1 WHERE THE NINE FORCES ATTACH: THE NINE REQUIREMENTS THE AFRICAN PRIVATE EQUITY FUND MUST KEEP MEETING

NOTE Each card is one requirement, the force that attacks it, and the question that force puts to the fund. The numbers are the force numbers used throughout this note, in Table 0.2 and in Figure 1.8.



SOURCE Odit Frontier Partners.

Open savannah season is therefore not merely nine predators: it is a fitness test for the fund with nine parts. Table 2.1 names each force, says in plain words what it attacks, and spells out what that covers, so that a word such as price or necessity is never left for the reader to fill in. Each force then has its own part of this section, in the same order.

Table 2.1 THE NINE FORCES: WHAT EACH ATTACKS, IN PLAIN WORDS, AND WHAT THAT COVERS

NOTE The force names and the plain-words restatements are this note's. What each requirement covers is drawn from the collision map that opens each force, Tables F1.1 to F9.1. Sub-forces 03A and 03B are shown under Force 03, and 08A to 08D under Force 08.

Force	What it attacks, in plain words	What that covers
Force 01: AI Subsumption	**Price:** what the fund manager can charge for its work	The annual management fee, a percentage of committed capital that pays the team producing the research, screening, diligence, monitoring and reporting; the carried interest, the fund manager's share of profits, usually 20%; and the fee income given up when investors co-invest alongside the fund without paying a fee.
Force 02: Operator Subsumption	**Necessity:** whether a fund manager is needed between investors and companies at all	The five things the fund was set up to supply that a company could not get on its own: access to institutional and international capital; assembling a group of investors to finance a deal; financial structuring; reporting discipline and investor relations; and analysis and risk data.
Force 03: Proof-of-Concept Subsumption	**Proof:** investors' willingness to keep committing without evidence that the fund delivers	Evidence that the fund turns capital into what it promised: realised returns actually paid back to investors, not valuations or a count of exits; a published performance benchmark investors can compare against; and, for development investors, additionality, meaning outcomes that would not have happened without the fund.
Sub-force 03A: Proof of Returns	**Returns:** whether the fund can show the cash it returned to investors, net of fees	Cash actually returned to investors; distributions against the capital they paid in; net returns after fees and carried interest; and a benchmark to compare them with.
Sub-force 03B: Proof of Commercial Graduation	**Graduation:** whether the fund manager can stand on commercial terms without development buffers	Whether returns would hold without concessional support such as first-loss capital, grants that pay costs, development anchors and below-market terms; and whether commercial and domestic private investors replace development capital across successive funds.
Force 04: AI-Native Entrant Subsumption	**The operating model:** whether the fund manager's way of organising its work still needs to exist	How the fund manager organises its work: finding deals through relationship networks, screening one company at a time, running diligence document by document, monitoring on monthly and quarterly reporting cycles, and a team built around people doing each of these steps by hand.
Force 05: Private Credit and Evergreen Liquidity Contradiction	**Liquidity:** whether the promise to let investors out can be kept	The promise in an evergreen fund that investors can withdraw: a quarterly withdrawal at net asset value up to a cap of about 5%, assets sold as needed to pay those withdrawals, and the cap treated as a formality rather than as the term that actually binds.
Force 06: Development-Capital Compression	**Runway:** how long development finance keeps backing the fund on the terms that formed it	The support of development finance institutions: capital supplied directly to the fund, a development purpose accepted as enough reason to fund it, patience underwritten by a public mandate, and a runway long enough to put off the question of whether the fund can stand on commercial terms.
Force 07: Local Capital Rescue Subsumption	**The fallback:** the assumption that local investors will step in when others pull back	The assumption that domestic institutions, such as local pension funds and insurers, will take over from international development capital with the same large buffers, tolerance of long holding periods, acceptance of a lower financial return and capacity to absorb failure.
Force 08: Thematic Mandate Compression	**The investable universe:** whether there are enough companies to buy, and a route to them, in the sectors capital now wants	The supply of companies the fund is allowed and able to buy in the four sectors capital now wants most: climate, AI and software, critical minerals and hydrocarbons; enough qualifying companies in each, a route to them through a pooled fund, a mandate that admits them, and labels that survive investors' checks.
Sub-force 08A: Climate Concentration	**Share of a crowded theme:** whether the fund can win a share of a theme many vehicles are entering at once	Climate companies with enough scale to absorb institutional capital; a pipeline beyond the few companies that raise most of the money; and an equity product in a sector where close to half the money comes as debt or hybrid finance.
Sub-force 08B: AI and Software Compression	**The universe and the exit:** whether there are real AI businesses to buy, and whether software bought today will still be scarce when sold	Real AI businesses, not AI labels, at each layer of the AI value chain; and, at exit, the advantages a buyer pays for in a software company: proprietary code, subscription pricing per human user, content sold as the product, human agents sold by the hour, and speed to market.

Force	What it attacks, in plain words	What that covers
Sub-force 08C: Critical Minerals Route Compression	**The fund's reach:** whether the fund has a route into a sector capital reaches directly	A route to mining and minerals companies through a pooled fund; ticket sizes able to match financings of hundreds of millions of dollars; and a mandate written for what minerals are now understood to be for.
Sub-force 08D: Hydrocarbon Mandate Exclusion	**The fund's mandate:** whether the fund's own investors allow it into the sector	A mandate that admits oil, gas and their value chain; investors whose exclusion lists allow it, directly and through funds; and ticket sizes able to follow financings of billions of dollars.
Force 09: Financing-Stack Subsumption	**Financing uniqueness:** whether a company needs equity when a loan meets the same need	The costs equity asks of a company, set against a loan for the same need: months of diligence, permanent dilution of the existing owners, board seats and governance rights, an exit the company must eventually serve, and a valuation agreed at a moment it may not have chosen.

SOURCE Odit Frontier Partners.

The nine forces work in three different ways, and the difference matters because each kind has to be answered differently. Six are subsumptions, two are compressions and one is a contradiction. Table 2.2 sets out what each kind does to the fund and which forces belong to it.

Table 2.2 THE THREE KINDS OF FORCE: SUBSUMPTION, COMPRESSION AND CONTRADICTION

NOTE The three kinds are this note's classification. A force's kind is also part of its name.

Kind of force	What happens to the fund	Forces of this kind
Subsumption	A function the fund performed is absorbed by something else, or made unnecessary	Forces 01, 02, 03, 04, 07 and 09, with the sub-forces of Force 03, 03A and 03B
Compression	Nothing is absorbed: what narrows is the pressure behind the fund, or the ground it may operate on	Forces 06 and 08, with the sub-forces of Force 08, 08A to 08D
Contradiction	The remedy offered for the conventional fund's limits meets a structural limit of its own	Force 05

SOURCE Odit Frontier Partners.

B

SECTION 2 · PART 2 OF 3

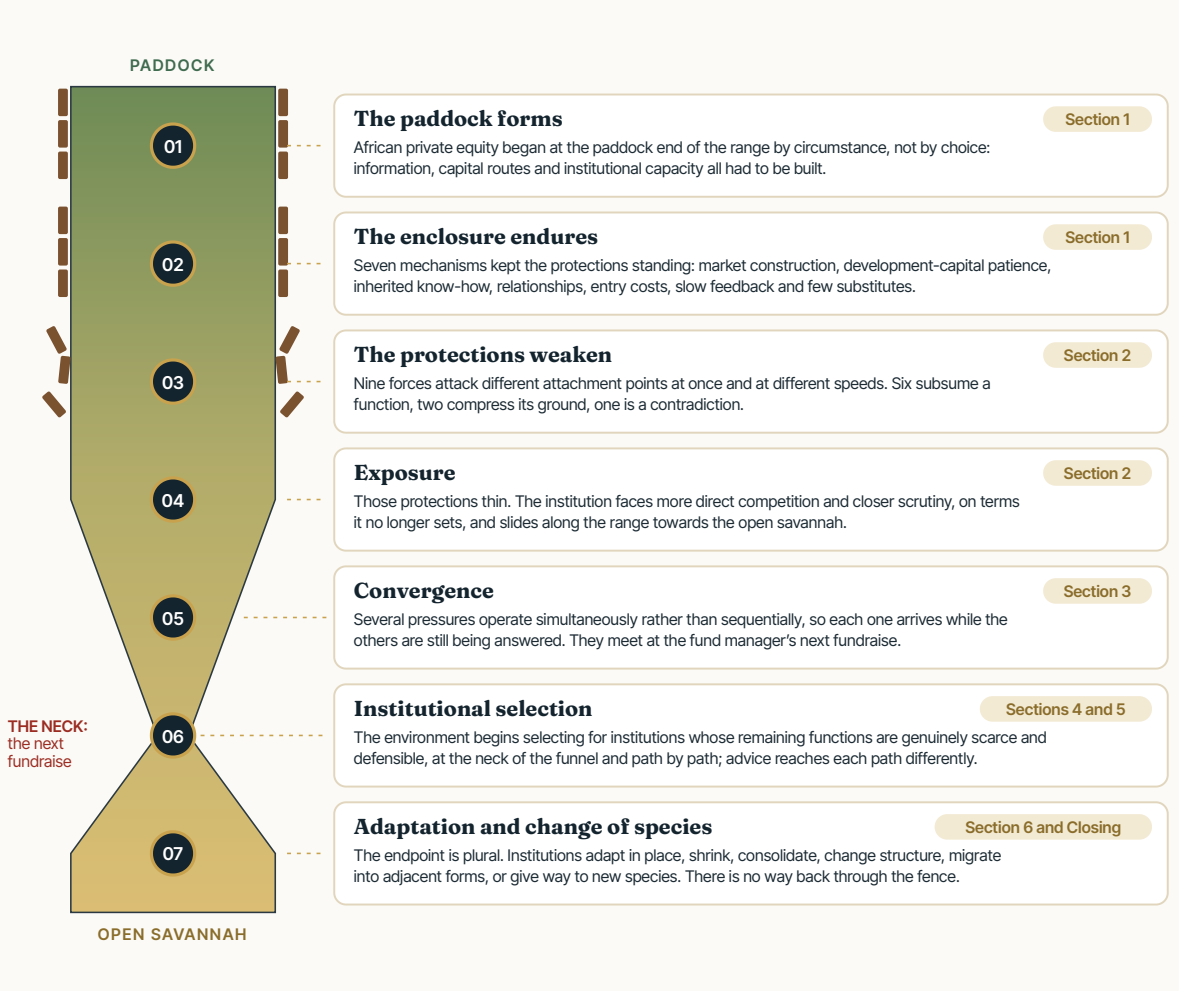
Where this section sits in the argument: from enclosure to institutional selection

The seven stages of the argument this note makes, and which section sets out each

The thesis of this note is not that the nine forces destroy the African private equity fund. It is that the enclosure around the fund thins, pressures attach to different parts of it, those pressures converge, and the market begins selecting for different kinds of institution. Figure 2.2 shows the argument as seven stages, from the paddock to the other side of the funnel. This section sets out the third and fourth.

Figure 2.2 FROM PADDOCK TO THE OTHER SIDE OF THE FUNNEL: THE SEVEN STAGES OF THE ARGUMENT THIS NOTE MAKES

NOTE Read from top to bottom. The column runs from the paddock to the open savannah, narrows at the funnel where the forces meet the next fundraise, and opens again on the other side.



SOURCE Odit Frontier Partners.

Selection is not extinction. It is the market choosing which of the fund's remaining functions are worth paying for, and the seventh stage has more than one exit: a fund manager can adapt in place, shrink or consolidate, change structure, move into an adjacent form, or give way to a new kind of institution.

C

SECTION 2 · PART 3 OF 3

The nine forces, one by one

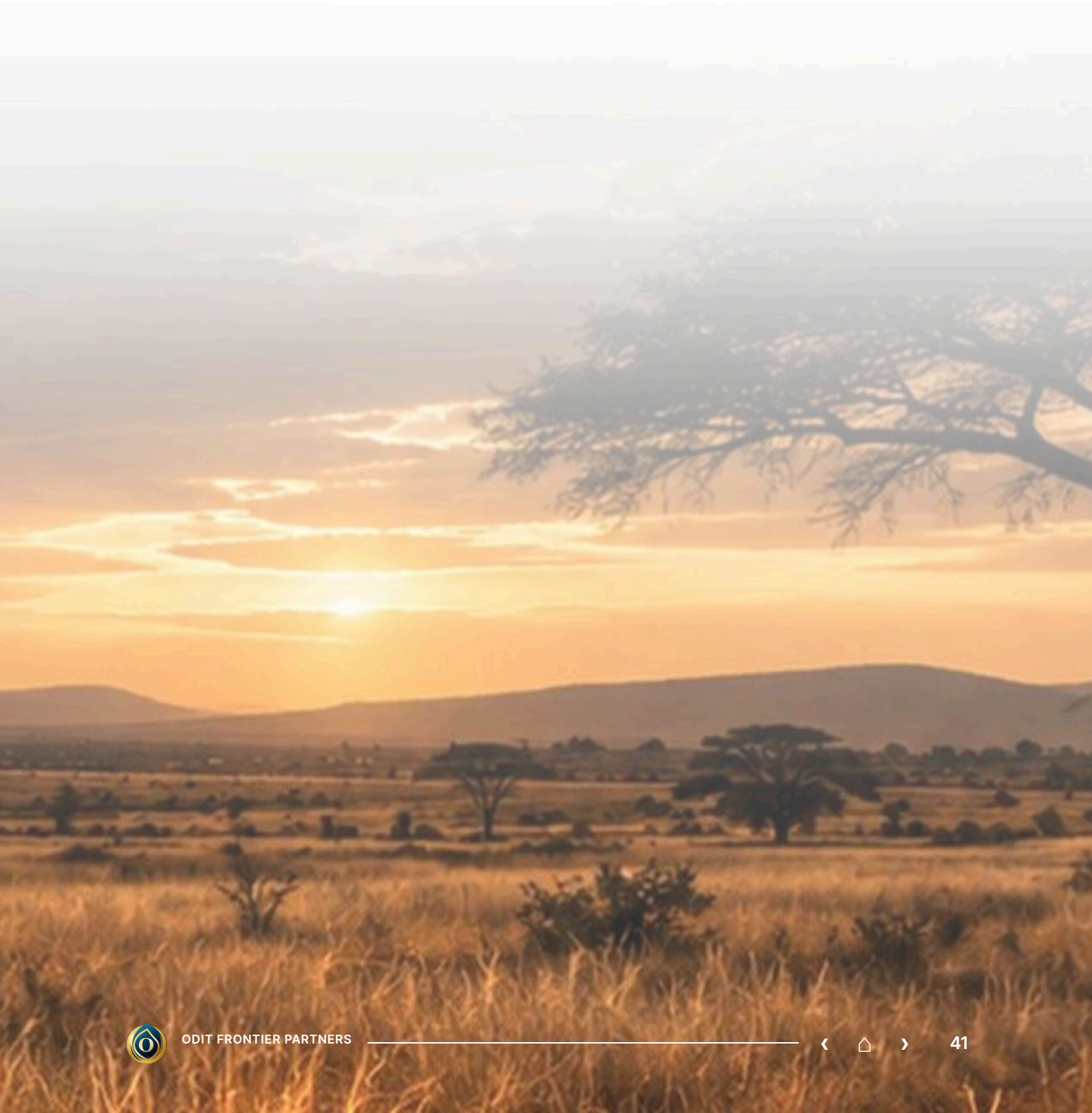
Each force in the same order and the same shape, so that the forces can be compared

Each force is set out in the same order and the same shape, so that the forces can be compared. First, how the force works, in concrete terms and without assumed knowledge of how funds work. Then what it attacks, shown as a collision map that sets the conventional model against the competing one, so that the

collision is visible rather than asserted. Then the evidence, and why it matters to the fund. Each force closes with the fitness question it leaves, and with tables of cases from the record: cases that show the force at work, cases that cut against it, and cases that limit it.

Every figure carries its source and the period it covers. Arithmetic performed in this note on published totals is labelled a derivation. Arguments this note is making, as distinct from findings it is reporting, are labelled propositions.

> IMPORTANT CAVEAT
>
> **This note distinguishes reported findings from Odit Frontier Partners propositions, and makes no legal finding about any named institution. Section 9 sets out the full scope.**





In the chest of the formation, Figure 1.8

AI Subsumption

AI taking over the analytical work that the fund manager's fee pays for

Attacks Price: what the fund manager can charge for its work

WHAT THIS COVERS

The annual management fee, a percentage of committed capital that pays the team producing the research, screening, diligence, monitoring and reporting; the carried interest, the fund manager's share of profits, usually 20%; and the fee income given up when investors co-invest alongside the fund without paying a fee.

> The production cost beneath the conventional management fee is falling faster than the fee architecture built to support it.

1 What Force 01 is: AI taking over the work the fee pays for

Force 01, AI Subsumption, is AI taking over the analytical work that the fund manager's fee was set to pay for. A conventional fund produces its output with people: a team of analysts and associates spends weeks on market mapping, sourcing lists, screening notes, diligence packs, monitoring reports, investment committee papers and quarterly investor reporting. AI agents and automated workflows can now produce most of that output in a fraction of the hours, leaving only the functions that law and fiduciary duty require a named human being to perform. It is a subsumption, the first of the three kinds of force in Table 2.2: a function the fund performed is absorbed by something else. Table F1.1 sets the force out in one line.

Table F1.1 FORCE 01 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 01, AI Subsumption
Who or what attacks	AI agents and automated workflows
What it takes over	The analytical work the fund manager's team produced by hand: market mapping, sourcing, screening, diligence, monitoring, committee papers and investor reporting
Where in the fund	The management company's cost base, and the fee and carried interest that pay for it
What the fund loses	The justification for its price: the fee was set to cover a cost that is now falling
Kind of force	Subsumption: a function is absorbed by something else

SOURCE Odit Frontier Partners.

There are two kinds of AI attack on a fund manager, and only the first is this force. The first says: you employ a hundred people to do what three of mine can now do. That attacks the cost structure, and it is painful but survivable, because the fund manager can buy the same tools and produce the same output more cheaply. The second says: I do not need your organisational structure, workflow or cost architecture to deliver the institutional function at all. That attacks the business model, and it is the subject of Force 04. The two are routinely run together, and they are not the same.

2 What Force 01 attacks, and where that sits in the two species

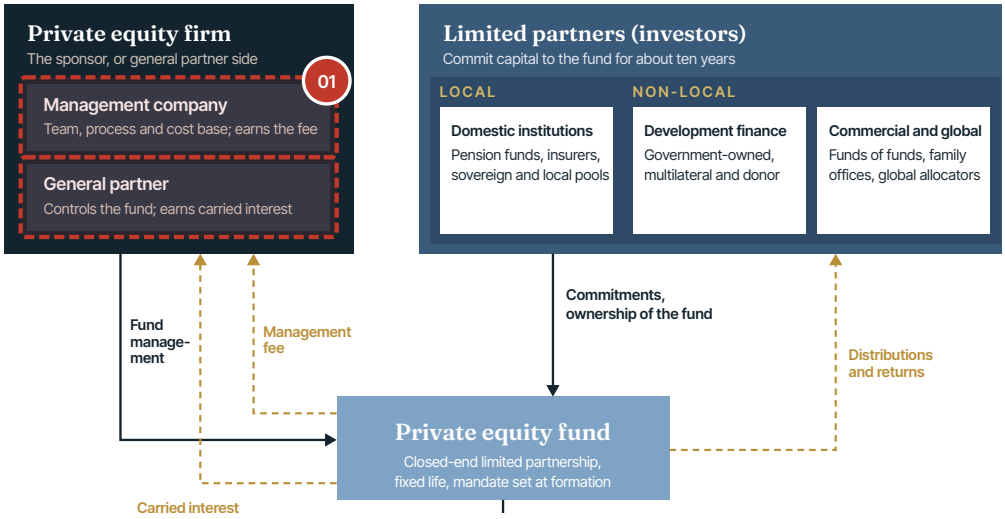
Force 01 attacks price: what the fund manager can charge for its work. Price has three parts. The first is the annual management fee, a percentage of committed capital that pays the team producing the research, screening, diligence, monitoring and reporting. The second is the carried interest, the fund manager's share of profits, usually 20%. The third is the fee income given up when investors co-invest alongside the fund without paying a fee. Behind all three sits the team's time, the cost the fee was set to cover. Figure F1.1 marks where these sit in the two species of fund drawn in Section 0, and Table F1.2 defines each one and places it in both.



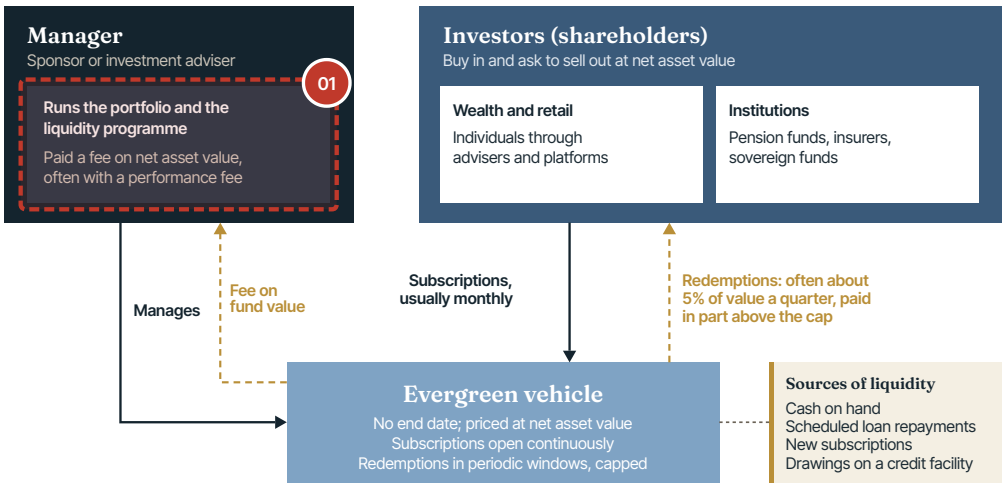
Figure F1.1 WHERE FORCE 01 ATTACKS: THE FUND MANAGER'S FEE AND THE TEAM IT PAYS FOR, IN SPECIES A AND SPECIES B

NOTE The two funds are drawn as in Figures 0.1 and 0.3, cropped to the part Force 01 reaches. Red marks what Force 01 attacks; the other forces are left out.

SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: FORCE 01 ATTACKS THE MANAGEMENT FEE, THE CARRIED INTEREST AND THE TEAM BEHIND THEM



SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: FORCE 01 ATTACKS THE MANAGER'S FEE AND THE TEAM BEHIND IT



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 and Table 0.2.

Table F1.2 WHAT FORCE 01 ATTACKS: EACH PART OF PRICE, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F1.1. The carried interest figure is from Preqin's fund-terms research, cited in Part 4.

Part of price	What it is	Where in Species A	Where in Species B
Management fee	An annual charge, a percentage of committed capital, paid whether or not the work turns into a transaction	Paid by the fund to the management company (Figure 0.1)	A fee on the fund's net asset value, paid to the manager (Figure 0.3)
Carried interest, or performance fee	The fund manager's share of profits, usually 20%	Paid to the general partner (Figure 0.1)	Often charged as a performance fee alongside the fee on fund value (Figure 0.3)
Fee income lost to co-investment	Money investors put into a deal alongside the fund, on which they pay no fee	Investments made beside the fund rather than through it	Not covered by the evidence in this note
The team's time	The analysts, associates and senior professionals who produce the work the fee pays for	The management company's team, process and cost base	The manager running the portfolio

SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3. Carried interest: Preqin, as cited in Part 4.

Evidence boundary: why this force uses Western fund managers as its proxy

Public evidence on what African fund managers spend, on whom, and on which stage of the fund cycle is absent. No source found publishes an African fund manager's cost base, the split of its staff between deal, operating and back-office work, or its use of AI by stage. This force therefore uses United States and European private equity firms as the proxy, in the same way that Force 05 uses developed-market evergreen funds: their surveys and published accounts disclose far more. The inference is not that African fund managers have the same staffing or costs. It is that the work of a fund is produced in the same way, and that Western firms are the only place where the share of that work AI is taking over can yet be measured. Where the African structure is known to differ, as with lean, senior-heavy teams, the note says so.

The fee pays for a cost base that is mostly fixed, and roughly three-quarters people. Fixed here means owed whether or not a deal closes. Across United States private equity firms of every size, about 69% of a firm's own spending goes on paying its team, a share that varies by less than ten percentage points between firms managing under US$500m and those managing over US$1bn; travel and entertainment have fallen from 5% to 3% since 2016.[1] The published accounts of listed private markets firms show the same shape: pay and benefits were 73% of Bridgepoint's operating expenses in 2024,[2] 77% of Intermediate Capital Group's in its 2025 financial year, counting incentive schemes,[3] and 71% of Ares

1 Gen II Fund Services and Private Funds CFO, Management Company Report 2024, 14 February 2024.
2 Bridgepoint Group plc, Full year results 2024, 13 March 2025: staff costs £156.0m and other operating expenses £56.4m, excluding exceptional items; management and other fees £336.0m. Shares calculated by Odit Frontier Partners.
3 Intermediate Capital Group plc, Annual Report and Accounts 2025, Note 4: staff costs £139.2m, incentive scheme costs £158.3m and other administrative expenses £91.3m, reportable segments. Shares calculated by Odit Frontier Partners.

Management's in the first half of 2024, where rent was about 3%.[4] Everything else, technology and data, compliance, insurance, professional fees, marketing and the rest, therefore sits in the remaining 23% to 31%, and no source found itemises it further. The chart at the top of Table F1.3 compares the four sources.

The fee covers that fixed base with room to spare in a large firm, and with little in a small one. In 2024 Bridgepoint's staff costs absorbed 46% of its management and other fees and its other operating expenses 17%, leaving about 37% as fee-related earnings.[5] A second layer of mostly fixed annual costs, such as the fund's audit and administration, is charged to the fund rather than paid from the fee.[6] In venture capital funds over US$100m these fund-level costs come to about 1% of fund size over the first five years, against about 3.4% in funds of US$1m to US$10m.[7] The reward sits in carried interest: StepStone found that about two-thirds of what private equity firms earn comes from fees linked to performance.[8] No equivalent figures for African fund managers were found; Investisseurs & Partenaires describes it as structurally difficult for small African fund managers to sustain their own economics and retain a team.[9] Table F1.3 sets out the cost base, who pays each part, and which parts Force 01 reaches.

4 Ares Management Corporation, Form 10-Q for the quarter ended 30 June 2025: compensation and benefits US$832.8m, general, administrative and other expenses US$340.4m, of which operating lease expense US$30.6m, six months to 30 June 2024. Shares calculated by Odit Frontier Partners.

5 As note 2.

6 Private Funds CFO, Fees and Expenses Survey 2022, 186 United States alternative fund managers, fielded May and June 2022.

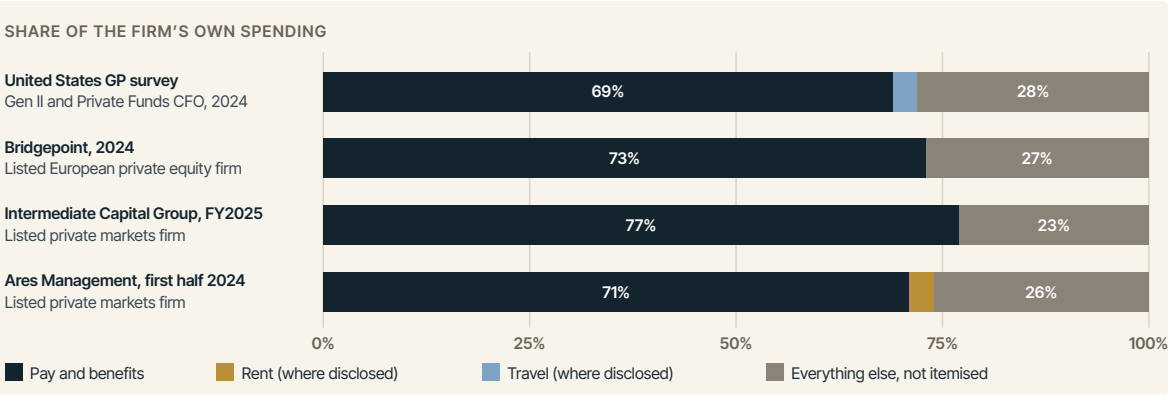
7 Carta, Fund Economics: Small Funds vs. Large Funds, 5 January 2026, and Fund Economics Report 2025, 4 December 2025; venture capital funds on Carta's platform.

8 StepStone, Uncovering the Costs and Benefits of Private Equity, April 2016.

9 Investisseurs & Partenaires, How can African SME funds mobilise more capital?, executive summary.

Table F1.3 THE FUND MANAGER'S COST BASE: WHAT IS FIXED, WHO PAYS FOR IT, HOW LARGE EACH PART IS, AND WHAT FORCE 01 REACHES

NOTE Fixed means owed whether or not a deal closes. The chart compares four sources for the share of a firm's own spending that goes on pay; the shares for the three listed firms are calculated by OFP from their published accounts. Everything not itemised by a source is shown in grey. No equivalent figures for African fund managers were found.



Cost	Fixed or variable	Who pays for it	Size	What Force 01 reaches
Team pay and benefits	Fixed, with a variable bonus element	The management fee	69% to 77% of the firm's own spending, across the four sources in the chart above	**Reached:** AI takes over the hours of work the team is paid for (Scenes 1 and 2)
Office and rent	Fixed	The management fee	About 3%, where disclosed (Ares)	Not reached
Travel and entertainment	Partly variable	The management fee; travel for a specific deal after a term sheet is often charged to the fund	About 3%, down from 5% since 2016 (United States survey)	Not reached
Everything else: technology and data, compliance, insurance, professional fees, marketing	Mostly fixed	The management fee for firm-wide items; tools for one fund may be charged to that fund	The remaining bracket, about 20% to 25% once rent and travel are taken out; not itemised in any source found	Mostly not reached; data and research subscriptions not measured
The fund's audit, administration, legal, tax and banking	Fixed each year	Charged to the fund, not paid from the fee	About 1% of fund size over five years in venture funds over US$100m, 3.4% in funds of US$1m to US$10m; legal 9% to 23% and tax 6% to 12% of those costs	**Barely reached:** AI is used for reconciliation by about 3% of private capital firms
Costs of deals that did not close	Variable	Charged entirely to the fund by about two-thirds of firms	Not applicable	Not measured in this note's sources

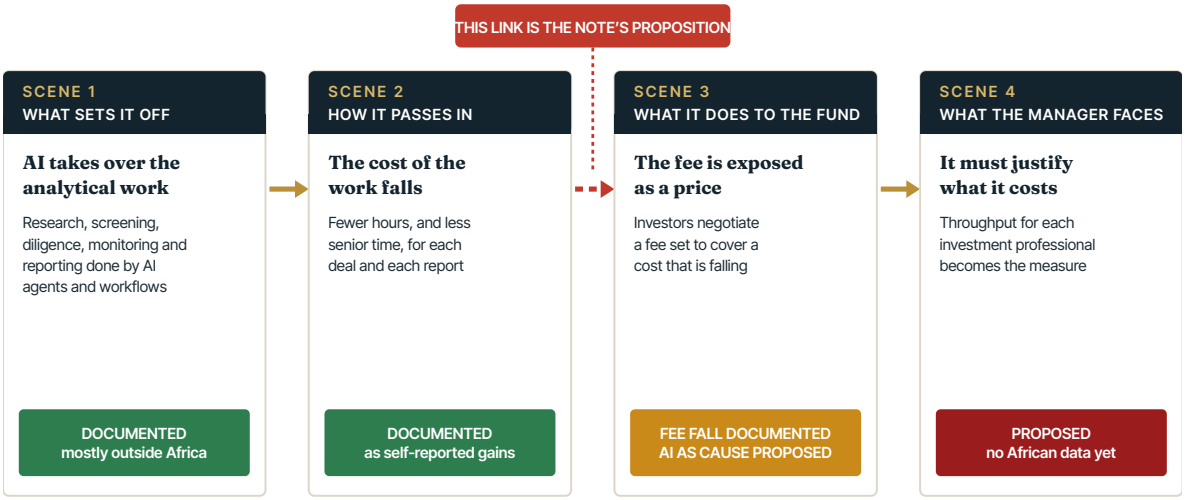
SOURCE Gen II Fund Services and Private Funds CFO, Management Company Report 2024. Bridgepoint Group plc, Full year results 2024. Intermediate Capital Group plc, Annual Report and Accounts 2025. Ares Management Corporation, Form 10-Q, June 2025. Carta, Fund Economics, 2025 and 2026. Private Funds CFO, Fees and Expenses Survey 2022. Allvue, 2026 GP Outlook Survey, via LinkedIn. What Force 01 reaches: Odit Frontier Partners.

3 How the attack happens, scene by scene

Force 01 reaches the fund in four scenes, and only the step from the second scene to the third is argued rather than documented. Figure F1.2 shows the chain: AI takes over the work, the cost of producing the work falls, the fee is exposed as a price, and the fund manager must justify what it costs. Each scene is explained below the figure, with the signs that show it is under way.

Figure F1.2 HOW FORCE 01 REACHES THE AFRICAN PRIVATE EQUITY FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented. Red: this note's proposition. The evidence for each scene is set out in Part 4 and Table F1.5.



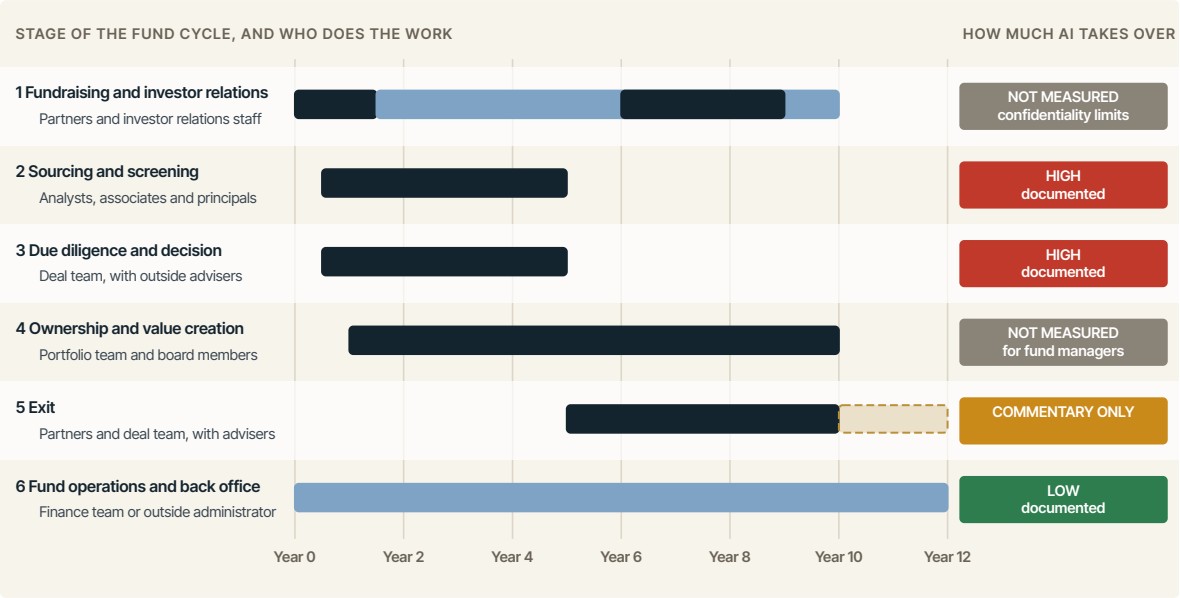
SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: AI TAKES OVER THE ANALYTICAL WORK

The analytical work of a fund is now being done by AI agents and automated workflows, but not evenly across the fund's life. A fund manager's work runs in a cycle, and a different team does the work at each stage: the partners and investor relations staff raise the fund and report to investors; analysts, associates and principals source and screen companies; the deal team, with outside advisers, runs due diligence and prepares the investment committee decision; the portfolio or operating team and the board members work on the companies after investment; the partners and deal team sell them; and the finance team, often with an outside fund administrator, runs the fund's accounts throughout. Figure F1.3 lays the stages over the life of a Species A fund and shows how much of each AI is taking over. Table F1.4 sets out, stage by stage, how the work was produced, how it is produced now, where its cost sits and what the evidence shows.

Figure F1.3 THE FUND CYCLE, THE TEAM AT EACH STAGE, AND HOW MUCH OF EACH STAGE AI IS TAKING OVER

NOTE Bars show when each stage is active in a typical Species A fund, following Figure 0.2: dark for the main period, light for continuous work, dashed for the extension. Fundraising recurs from about year 6, when 70% to 75% of the fund is invested and the next fund is raised, as in Figure 0.2. How much AI takes over follows the evidence in Table F1.4; in a small, senior-heavy African firm the same partners may cover several of these teams.



SOURCE Odit Frontier Partners, following Figure 0.2. AI readings: as cited in Table F1.4.

Table F1.4 COLLISION MAP BY STAGE OF THE FUND CYCLE: THE TEAM, THE WORK, HOW IT WAS PRODUCED, HOW AI PRODUCES IT NOW, AND WHERE THE COST SITS

NOTE Read with Figure F1.3. The two middle columns are the collision: the conventional fund manager's process against the same output produced with AI. Survey figures are from the United States unless marked as African.

Stage and team	The work	How it was produced	How AI produces it now	Where the cost sits	Evidence on AI
1. Fundraising and investor relations Partners and investor relations staff	Pitch materials, answers to investors' questions, investor reports	Investor reports drafted from scratch each cycle	Drafts generated from the underlying data, the human role moved to review and sign-off	The fee (team time)	NOT MEASURED No adoption figure in this note's sources. Confidentiality and accuracy duties slow how much investor-facing work AI can take
2. Sourcing and screening Analysts, associates and principals	Market maps, sourcing lists, screening notes	Market maps and sourcing lists built by analysts over weeks; screening notes written one target at a time, as capacity allows	Continuous automated scanning across company databases; first-pass triage and scoring run across the whole set at once	The fee (team time)	HIGH L.E.K.: research at 72% adoption, with a self-reported 45% productivity gain

Stage and team	The work	How it was produced	How AI produces it now	Where the cost sits	Evidence on AI
3. Due diligence and investment decision Deal team, with outside legal, financial and commercial advisers	Data-room review, financial models, diligence packs, investment committee papers	Diligence packs assembled by hand from data-room documents; committee papers drafted from scratch	Documents ingested at volume, with inconsistencies surfaced as they are read; drafts generated, humans review and sign off	The fee (team time); outside advisers usually charged as deal costs; costs of deals that did not close charged to the fund by about two-thirds of firms	HIGH L.E.K.: diligence synthesis at 70% adoption, 30% gain. Allvue: AI used for diligence by 87% of firms. McKinsey: deal cycles 30% to 50% shorter for 40% of users. Oui Capital: data-room review from weeks to days
4. Ownership and value creation Portfolio or operating team, and board members	Monitoring reports, board packs, work on the companies' operations	Monitoring on monthly and quarterly reporting cycles	Persistent monitoring with automated exception escalation	The fee (team time)	NOT MEASURED No figure for fund managers. L.E.K. finds AI deployed inside portfolio companies, mostly for customer support and software engineering, which is the companies' cost, not the fund manager's
5. Exit Partners and deal team, with banks and advisers	Valuation and preparing the sale	Valuation work over weeks	Valuation work compressed from weeks to minutes, given the right team and process	The fee (team time); outside advisers as transaction costs	COMMENTARY ONLY Trade commentary, not measurement, and not African
6. Fund operations and back office Finance and compliance team, often an outside fund administrator	Accounting, reconciliation, capital calls and distributions, valuations, regulatory reporting	Manual work and spreadsheets	Largely unchanged so far	Firm's finance staff from the fee; the fund's administration and audit charged to the fund	LOW Allvue: AI used for reconciliation by 3% of firms; 70% of operations teams name manual work and spreadsheets among their main problems

SOURCE L.E.K. Consulting, PE Pulse 2026. Allvue, 2026 GP Outlook Survey, via LinkedIn. McKinsey, gen AI in M&A, 2026. Oui Capital, via Condia. The New York Times, via LinkedIn. Private Funds CFO, Fees and Expenses Survey 2022. Stages, teams and how the work is produced: Odit Frontier Partners.

Two stages carry most of Force 01: sourcing and screening, and due diligence. They are where AI use is highest and best documented. Fund operations, the stage with the most manual work, is where AI is used least so far, and much of its cost is charged to the fund rather than paid from the fee. Fundraising, value creation and exit are not yet measured for fund managers.

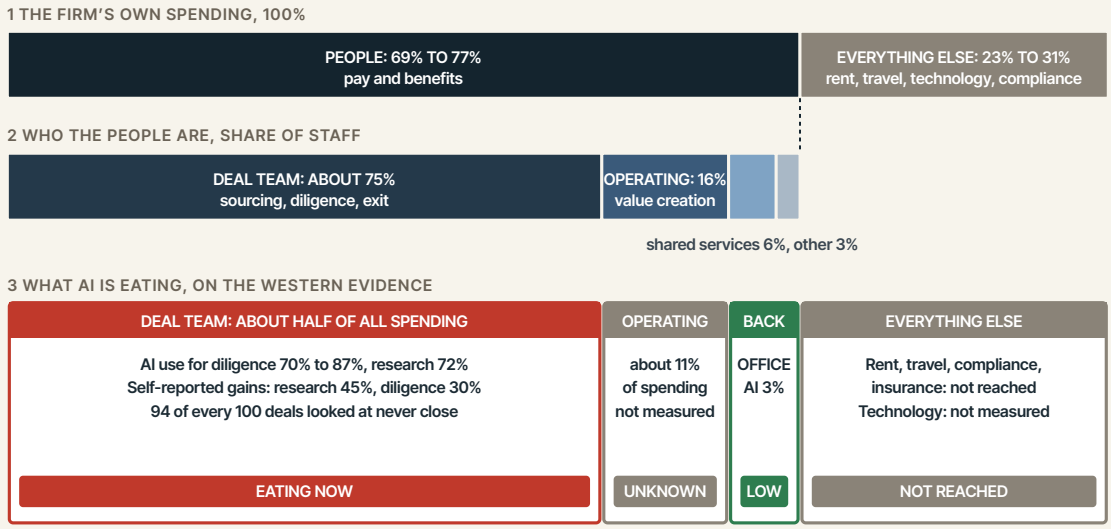
Put together, the Western evidence shows that the part of the fund manager AI is eating first is also the largest part of its cost. In the largest survey of what private equity firms do, about 75% of staff are deal-oriented, working on sourcing and execution; about 16% work only on operations in the portfolio companies; and about 6% are shared services such as finance and administration.[10] With pay at 69% to 77% of a firm's own spending, the deal team alone accounts for roughly half of all spending, a derivation that assumes pay follows headcount. That deal team is where AI use is highest, in research and diligence,

10 P. Gompers, S. N. Kaplan and V. Mukharlyamov, What Do Private Equity Firms Say They Do?, Harvard Business School Working Paper 15-081, survey of 79 private equity investors managing over US$750bn, 2011 to 2013.

11 As note 10.

Figure F1.4 WHAT AI IS EATING: THE FUND MANAGER'S SPENDING, ITS STAFF BY STAGE OF THE FUND CYCLE, AND HOW MUCH AI IS TAKING OVER, ON THE WESTERN EVIDENCE

NOTE Western proxy: United States and European private equity firms, as explained in the evidence boundary in Part 2. Tier 1 is the share of a firm's own spending, from Table F1.3. Tier 2 is the share of staff, from Gompers, Kaplan and Mukharlyamov. Tier 3 combines the two with the AI evidence in Table F1.4. In a small African firm the same partners may do deal, operating and fundraising work, so the tiers would be less distinct.



SOURCE Gen II Fund Services and Private Funds CFO, 2024; Bridgepoint, Intermediate Capital Group and Ares Management accounts, as in Table F1.3; P. Gompers, S. N. Kaplan and V. Mukharlyamov, Harvard Business School Working Paper 15-081; L.E.K. Consulting, PE Pulse 2026; Allvue, 2026 GP Outlook Survey. Derivations: Odit Frontier Partners.

SCENE 2 · HOW IT PASSES IN: THE COST OF THE WORK FALLS

When the work takes fewer hours, the cost sitting underneath the fee falls. The fee is, in large part, a payroll line: 69% to 77% of a fund manager's own spending goes on its team, and the salaries are paid every year whether or not the work turns into a transaction. L.E.K. puts the average productivity gain from AI use at 28%.[12] In a senior-heavy firm the work is produced by principals, directors and partners rather than by juniors, so the cost that falls is the quantity of senior professional time needed for each unit of investment activity, the more expensive input. The sign of this scene is throughput for each investment professional rising, rather than headcount at the bottom falling.

SCENE 3 · WHAT IT DOES TO THE FUND: THE FEE IS EXPOSED AS A PRICE

Once the cost of the work falls, the fee stops looking like a necessity and starts looking like a price. Management fees funded headcount, and headcount was why the work was expensive. The fee was calibrated to the cost that used to sit underneath it. Prices are negotiable in a way that necessities are not, so investors can push the fee down, or invest alongside the fund without paying it. The sign of this scene is a falling fee, and more capital going into fee-free co-investment.

12 L.E.K. Consulting, PE Pulse 2026: AI and Value Creation Lead in Weak Market, July 2026; survey of 100 United States buyout professionals, fielded April 2026.

SCENE 4 · WHAT IT MEANS FOR THE FUND MANAGER: IT MUST JUSTIFY WHAT IT COSTS

The fund manager is left having to justify its price, and it can still do so, because this attack is survivable. The fund manager can buy the same tools and produce the same output more cheaply. The measure that matters becomes throughput for each investment professional rather than headcount. The sign of this scene would be fund managers publishing a change in their cost base or their fee because of AI; none in Africa has yet done so.

4 The evidence, scene by scene

Both ends of the chain are documented, and the link between them is not. On the cost side, AI is taking over the work and the hours are falling. On the fee side, the fee is falling. That the first is causing the second is this note's argument, not a finding. Table F1.5 sets out, for each scene, what would have to be true, the evidence for and against, and its status.

Table F1.5 THE EVIDENCE FOR FORCE 01, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Global and African evidence are labelled separately. Documented means a reported finding in a published source; proposed means this note's argument. Sources are given in the text below and in Table F1.6.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. AI takes over the work	Fund managers use AI for research, screening, diligence and reporting at scale	**Global:** L.E.K., research at 72% adoption and diligence synthesis at 70%, United States buyout professionals, April 2026. Allvue, AI used for diligence by 87% of private capital firms. **Africa:** Oui Capital reports its own tool has cut data-room review from weeks to days	Allvue: AI used for reconciliation by 3%, so back-office work is barely touched. Data privacy and unreliable outputs limit what investor-facing work AI can take	DOCUMENTED mostly outside Africa
2. The cost of the work falls	Fewer hours, and less senior time, are needed for each deal and each report	**Global:** team pay is about 69% of a fund manager's own spending (Gen II and Private Funds CFO). L.E.K., self-reported productivity gains of 45% in research and 30% in diligence, 28% on average. McKinsey, 40% of generative-AI users in mergers and acquisitions saw deal cycles shorten by 30% to 50%. **Africa:** Oui Capital, time from first call to investment roughly halved without added headcount; the figures are the firm's own	The gains are self-reported. Orlando Bravo, interviewed in January 2026, doubted they were real yet. The SEC fined two advisers a combined US$400,000 in March 2024 for overstating their AI capability	DOCUMENTED as self-reported gains, not as cost
3. The fee is exposed as a price	Fees fall, and they fall because the cost fell	**Global:** Preqin, mean buyout management fee 1.85% in 2023, 1.74% in 2024 and 1.61% in 2025, the lowest it has measured. Bain and StepStone, co-investment of 33 cents per dollar of fund commitment, roughly a 25% cut in fee revenue	Preqin attributes the fall to fundraising pressure and larger funds, not to AI. Carried interest has not moved: 82% to 85% of funds charged exactly 20%. **Africa:** no Africa-focused fund manager in the register has disclosed an AI-driven fee change	FALL DOCUMENTED AI as cause proposed

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
4. The fund manager must justify its price	Fund managers change their cost base or fee because of AI, and throughput becomes the measure	**Africa:** none found. Across 1,337 register records, no Africa-focused fund manager reports an AI-driven cost reduction or fee change	Cheaper analysis is available to African fund managers as well as to their competitors, including AI capacity hosted in Africa, so the force does not by itself favour an outsider	PROPOSED no African data yet

SOURCE As cited in the text of this part and in Table F1.6.

Scenes 1 and 2 are documented, but mostly in the United States and in figures the firms report about themselves. L.E.K.'s survey of 100 United States buyout professionals, fielded April 2026, found research at 72% adoption with a self-reported 45% productivity gain, and diligence synthesis at 70% and 30%.[13] McKinsey reports that 40% of generative-AI users in mergers and acquisitions saw deal cycles shorten by 30% to 50%.[14] One caution belongs alongside every self-reported figure: in March 2024 the Securities and Exchange Commission fined two advisers a combined US$400,000 for overstating their AI capability, a documented base rate for exactly this kind of claim.[15] Orlando Bravo, in an interview published in January 2026, said he doubted the claimed efficiency gains were real yet.[16]

Scene 3 is documented as a fall in the fee, but not as a fall caused by AI. Preqin records the mean buyout management fee falling for three consecutive vintages, 1.85% in 2023, 1.74% in 2024 and 1.61% in 2025, the lowest it has measured.[17] Bain and StepStone add a quieter erosion: a median co-investment commitment of 33 cents per dollar of fund commitment, which they size at roughly a 25% cut in fee revenue.[18] Carry has not moved with it; Preqin's fund-terms research showed roughly 82% to 85% of private capital funds charging exactly 20% in its 2015 and 2017 editions.[19] Preqin attributes the fee decline to fundraising pressure and a mix shift toward larger funds spreading fixed costs, not to AI-driven cost reduction.[20]

Scene 4 has no African evidence yet, which is itself a finding. The register holds no Africa-focused fund manager that has published an AI-driven change to its cost base or its fee.[21] One, Oui Capital, reports AI saving time inside its own process. The cases that bear on this force therefore describe the cost of the work itself, where the fall is documented, and the conditions that limit how far it travels. Table F1.6 lists them by scene.

13 L.E.K. Consulting, PE Pulse 2026, fielded April 2026.
14 McKinsey, gen AI in M&A, 2026.
15 US Securities and Exchange Commission, Press Release 2024-36, 18 March 2024.
16 Semafor interview with Orlando Bravo, 27 January 2026.
17 Preqin management fee series via CNBC, 6 January 2026, and Preqin Private Capital Fund Terms research on carry distribution.
18 Bain and StepStone, GP Outlook 2026, 2 March 2026.
19 As note 17.
20 As note 17.
21 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F1.6 CASES FROM THE RECORD FOR FORCE 01, BY SCENE: AT WORK, AGAINST AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
1	**At work:** AI use in private capital work is high in diligence and almost absent in reconciliation	Sept 2026	An industry survey carried in the record puts AI use for diligence at 87% of private capital firms and for reconciliation at 3%, with 70% of operations teams naming manual work and spreadsheets as their main problem.	The cost of analysis is falling first where the fund's visible intellectual work sits, while back-office cost has barely moved. The price pressure lands on the part of the fee that is easiest for an investor to question.	Allvue, 2026 GP Outlook Survey, via LinkedIn.
1	**At work:** Diligence and valuation work compressed from weeks to minutes	Dec 2025	Trade commentary that AI is making dealmaking faster, with diligence and valuation work compressed from weeks to minutes given the right team and process.	Commentary rather than measurement, and not African. It records the direction the force describes.	The New York Times, via LinkedIn.
1	**Against:** Governance limits on putting investor data into AI tools	Sept 2026	A 2026 Cambridge Judge Business School report, cited in the record, names data privacy and unreliable outputs as the risks most raised by regulators and industry.	Investor-facing work carries confidentiality and accuracy duties that slow how much of it AI can absorb. The cost fall is real but rationed by governance.	Navatar, via LinkedIn.
2	**At work:** An Africa-focused fund manager reports AI halving its time to invest	15 Sept 2026	Oui Capital reports that its internal tool, Oui Capital OS, has cut data-room review from weeks to days and the time from first call to investment by roughly half, without adding headcount. The figures are the firm's own.	The fall in the cost of investment work, documented by an African fund manager in its own operations. It does not state a cost or fee figure.	Condia.
3 and 4	**Limits:** No African fund manager publishing an AI-led change to cost or fee	To 14 Nov 2026	Across 1,337 unique register records, none reports an Africa-focused fund manager disclosing an AI-driven cost reduction or fee change.	The link between falling production cost and falling price remains a proposition for Africa.	OFP LinkedIn Intelligence Register.
4	**Limits:** AI capacity being built and hosted in Africa	Sept to Oct 2026	Cassava Technologies has added NVIDIA's open models to its African AI Factory as locally hosted services; Ethiopia has two AI infrastructure facilities powered by hydroelectricity.	The cheaper analysis is available to African fund managers as well as to their competitors. The force lowers everyone's cost; it does not by itself favour an outsider.	Cassava Technologies, via LinkedIn. Trade report.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

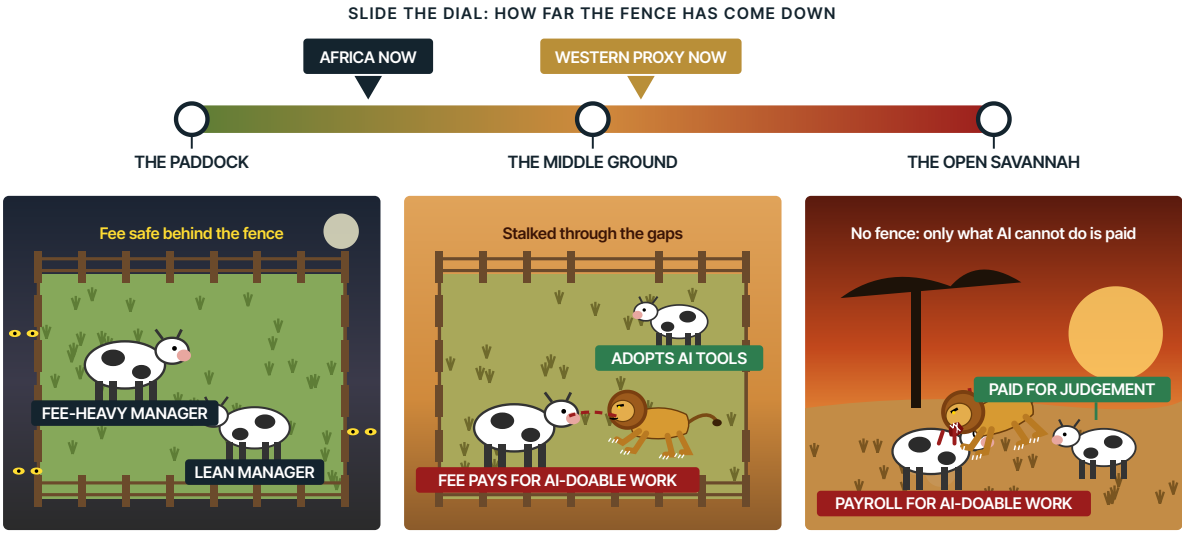
Force 01 does not claim that AI will strip out a large junior layer in African fund managers, because many do not have one. Many African fund managers are already lean, and some resemble an inverted pyramid rather than a pyramid: a comparatively senior team with few junior analysts beneath it. Against such a firm the claim that machine labour removes the analyst layer has little force, and the fund manager can fairly answer that it barely has one. The work did not disappear, though: it is done by principals, directors and partners, which is why Scene 2 measures senior time rather than junior payroll. No dataset on the seniority of African fund manager teams was identified in the sources reviewed, so this is a proposition about market structure, not a measurement of it.

5 Sliding the dial: who survives Force 01, and who does not

How much damage Force 01 does depends on where the market sits on the range from paddock to open savannah in Figure 1.1. In the paddock the fence holds, investors have few alternatives, and a fund manager can keep its fee even as AI makes its work cheaper. In the middle ground investors can push back, and the fee starts to follow the cost. On the open savannah the fee is set by what the work costs, and a fund manager is paid only for what AI cannot do. Figure F1.5 slides the dial across the three positions and shows, for each, who survives and who does not; Table F1.7 gives the full wording, including what happens to the fee. The markers show where this note reads the market now: the Western proxy in the middle ground, with fees falling and co-investment growing, and the African market closer to the paddock, with no fund manager yet disclosing an AI-driven change to its fee.

Figure F1.5 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 01 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for African private equity fund managers and the lions for the force. What happens to the fee at each position is set out in Table F1.7. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the markers are this note's reading of where each market stands as at November 2026.



SURVIVES
Almost every fund manager: the AI saving becomes margin

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Fund managers that adopt the tools and raise throughput; established track records

DOES NOT SURVIVE
Fund managers whose fee pays for work AI now does: a slow decline, not a sudden one

SURVIVES
Fund managers paid for judgement, duties a named person must perform, and reputation; lean African teams that show throughput

DOES NOT SURVIVE
Fund managers whose fee is mostly payroll for AI-doable work, or who cannot cut cost as fast as the fee falls

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F1.7 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FEE, WHO SURVIVES FORCE 01 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F1.5. All three right-hand columns are this note's proposition.

Position	What happens to the fee	Survives	Does not survive
The paddock Fence holds	The fee does not move. AI makes the work cheaper, and the saving stays with the fund manager as margin, because investors have few alternatives.	Almost every fund manager, including those whose fee pays for work AI now does more cheaply.	No one is forced out by this force alone.
The middle ground Fence has gaps	Investors push back. The fee falls and more capital goes into fee-free co-investment, slowly.	Fund managers that buy the same tools and raise throughput for each investment professional, and established fund managers whose track record still carries their price.	Fund managers whose fee pays mainly for work AI now does, and who cannot show higher throughput. Their decline is slow, not sudden.
The open savannah No fence	The fee is set by what the work costs. A fund manager is paid only for what AI cannot do.	Fund managers whose price rests on judgement, on the functions that law and fiduciary duty require a named human being to perform, and on reputation and relationships, the one post of the fence still standing in Figure 1.5. Lean African teams survive this force, but must show their throughput.	Fund managers whose fee is mostly payroll for work AI now does, and those that cannot cut their cost as fast as their fee falls.

SOURCE Odit Frontier Partners.

6 What Force 01 leaves the African private equity fund

The fitness question Force 01 leaves is about price and nothing else. What should this fund manager cost, once the work beneath its fee is cheaper to produce and the senior time that work consumes has fallen with it?

What would move Scenes 3 and 4 from proposition to finding is evidence that does not yet exist in Africa. It would take an African fund manager publishing a change in its cost base or its fee because of AI, investors citing AI when negotiating fees, or data on the seniority of African fund manager teams. The register is the place this note will look for each.

In short, AI is cutting the cost of the work the fee was set to pay for, and the fee is falling too. Whether the first is causing the second, and how far it reaches African fund managers whose teams are already lean, is the open question Force 01 leaves.





In the right horn of the formation, Figure 1.8

Operator Subsumption

Operating companies taking over the work the fund was set up to do for them: reaching investors, assembling lenders, structuring and reporting

Attacks Intermediary Necessity: whether a fund manager is needed between investors and companies at all

WHAT THIS COVERS

The five things the fund was set up to supply that a company could not get on its own: access to institutional and international capital; assembling a group of investors to finance a deal; financial structuring; reporting discipline and investor relations; and analysis and risk data.

> The company the fund was built to finance is now assembling its own capital syndicate, and in 2026 sometimes a larger one than the fund class itself raised.

1 What Force 02 is: the company taking over the middleman's work

Force 02, Operator Subsumption, is an operating company building for itself the capabilities the fund was set up to supply it, and then raising capital directly. A conventional African private equity fund pools money from investors and deploys it across a portfolio of operating companies. The design assumes a hierarchy: the fund is the larger, better resourced capital vehicle sitting above the companies, and it supplies what those companies are presumed unable to supply for themselves. Operator subsumption is what happens when one of those companies builds that capability itself. It hires its own strategic finance function, builds its own data infrastructure, holds its own relationships with development finance institutions, commercial banks, strategic investors and international lenders, and assembles its own syndicate. It is a subsumption, the first of the three kinds of force in Table 2.2. Table F2.1 sets the force out in one line.

Table F2.1 FORCE 02 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 02, Operator Subsumption
Who or what attacks	African operating companies that have built their own finance functions, and the development finance institutions, banks, strategic and sovereign investors and public markets that now finance them directly
What it takes over	The five things the fund was set up to supply: access to institutional capital, assembling a group of lenders, financial structuring, reporting and investor relations, and analysis and risk data
Where in the fund	The fund's place between investors and companies: its ownership of the portfolio, the step between capital and company
What the fund loses	The reason capital has to pass through it: its necessity
Kind of force	Subsumption: a function is absorbed by something else

SOURCE Odit Frontier Partners.

The mechanism is therefore not that companies are becoming better managed. It is that the object being intermediated is acquiring the capabilities and the capital access of the intermediary itself.

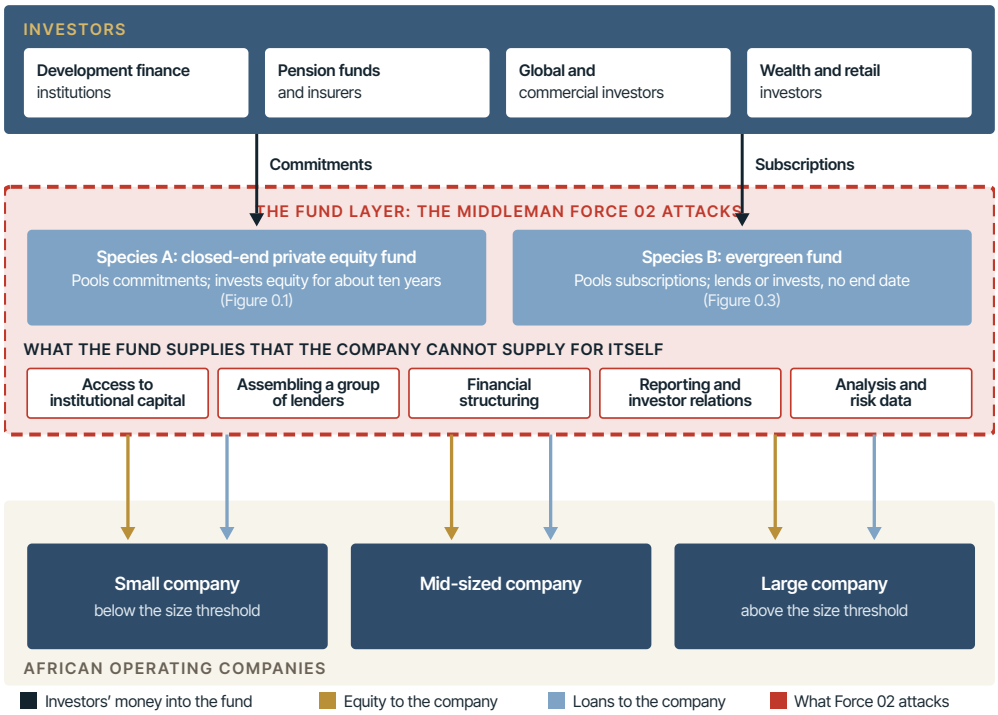
2 What Force 02 attacks, and where that sits in the two species

Force 02 attacks necessity: whether a fund manager is needed between investors and companies at all. In both species, the money an African operating company received from institutional investors used to reach it through the fund layer. In Species A, investors commit to a closed-end private equity fund, which buys equity stakes in companies. In Species B, investors subscribe to an evergreen fund, which lends to companies or holds stakes in them. Either way, the fund stood in the middle and supplied five things the company could not supply for itself. Figure F2.1 draws that arrangement.



Figure F2.1 BEFORE: HOW THE AFRICAN OPERATING COMPANY RECEIVED INSTITUTIONAL MONEY, THROUGH THE FUND LAYER IN BOTH SPECIES

NOTE The fund layer, in red, is what Force 02 attacks. Species A and Species B are drawn as in Figures 0.1 and 0.3. The five boxes are the functions in Table F2.2.

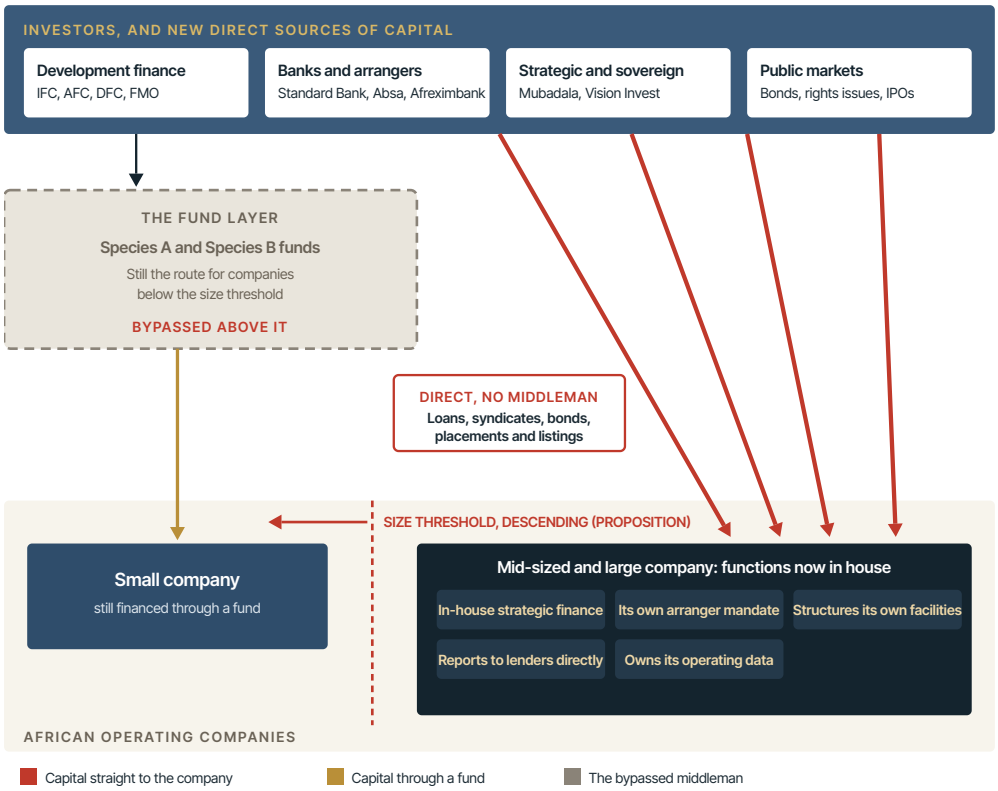


SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 and Table 0.2.

Force 02 is the company taking those five functions in house and reaching the same investors, and new ones, without the middleman. Development finance institutions, banks and arrangers, strategic and sovereign investors and public markets now finance large African operating companies directly, through loans, syndicates, bonds, placements and listings. The fund layer is bypassed above a size threshold, while it remains the route for smaller companies, and this note's proposition is that the threshold is descending. Figure F2.2 draws the bypass, and Table F2.2 defines each function and places it in both species.

Figure F2.2 NOW: THE BYPASS, WITH THE OPERATING COMPANY REACHING INVESTORS DIRECTLY AND THE FUND LAYER CUT OUT ABOVE THE SIZE THRESHOLD

NOTE The direct routes are those recorded in Table F2.5. The fund layer is greyed out where it is bypassed; it remains the route below the size threshold. That the threshold is descending is this note's proposition, set out in Part 4.



SOURCE Odit Frontier Partners, following Table F2.5.

Table F2.2 WHAT FORCE 02 ATTACKS: EACH FUNCTION THE FUND SUPPLIED, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figures F2.1 and F2.2. The functions are those in the collision map in Table F2.3.

Function	What it is	Where in Species A	Where in Species B
Access to institutional and international capital	Relationships with the investors and lenders who hold large pools of money	Investors reach companies only through the fund's commitments	Investors reach borrowers only through the fund's subscriptions
Assembling a group of lenders	Bringing several financiers together behind one deal	The fund leads the round and brings co-investors	The fund originates and syndicates the loan
Financial structuring	Designing the instrument: equity, debt, mezzanine, guarantees	The fund structures each equity investment	The fund structures each loan or holding
Reporting and investor relations	Reporting to the people who put the money in, including on impact targets	The fund reports to its limited partners on the portfolio	The fund reports to its shareholders at net asset value
Analysis and risk data	Knowing the company well enough to price the risk	The fund's diligence and monitoring	The fund's credit analysis and monitoring

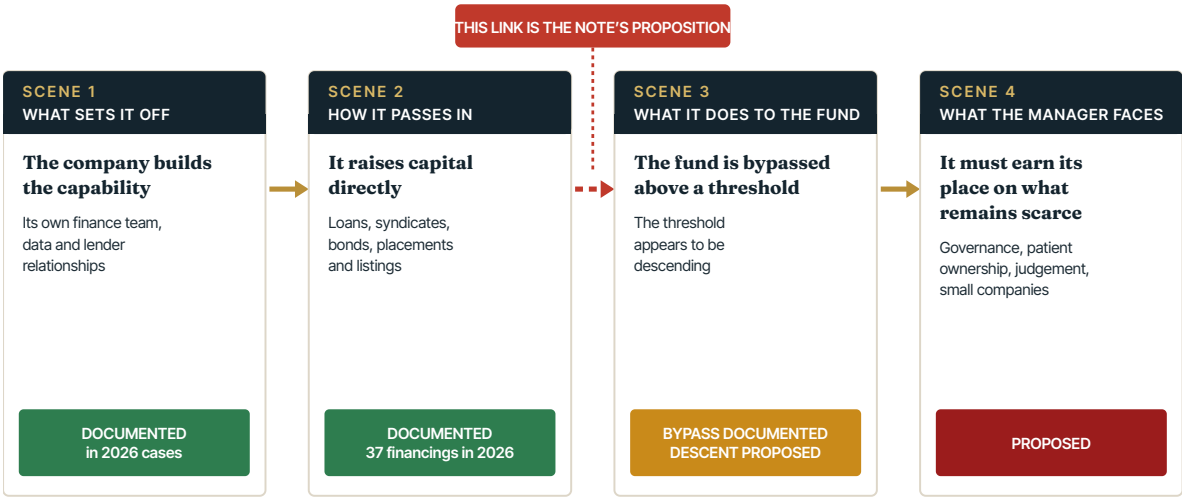
SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

3 How the attack happens, scene by scene

Force 02 reaches the fund in four scenes, and the step from the second scene to the third is only partly documented. Figure F2.3 shows the chain: the company builds the capability, it raises capital directly, the fund is bypassed above a size threshold that is descending, and the fund manager must earn its place on what remains scarce. Each scene is explained below the figure, with the signs that show it is under way.

Figure F2.3 HOW FORCE 02 REACHES THE AFRICAN PRIVATE EQUITY FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented. Red: this note's proposition. The evidence for each scene is set out in Part 4 and Table F2.4.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: THE COMPANY BUILDS THE CAPABILITY

The company the fund was built to finance hires its own strategic finance function, builds its own data infrastructure and holds its own lender relationships. Table F2.3 sets out, function by function, what the fund was to supply and what the operator now supplies for itself. The sign of this scene is a company running its own syndication and carrying its own covenanted reporting.

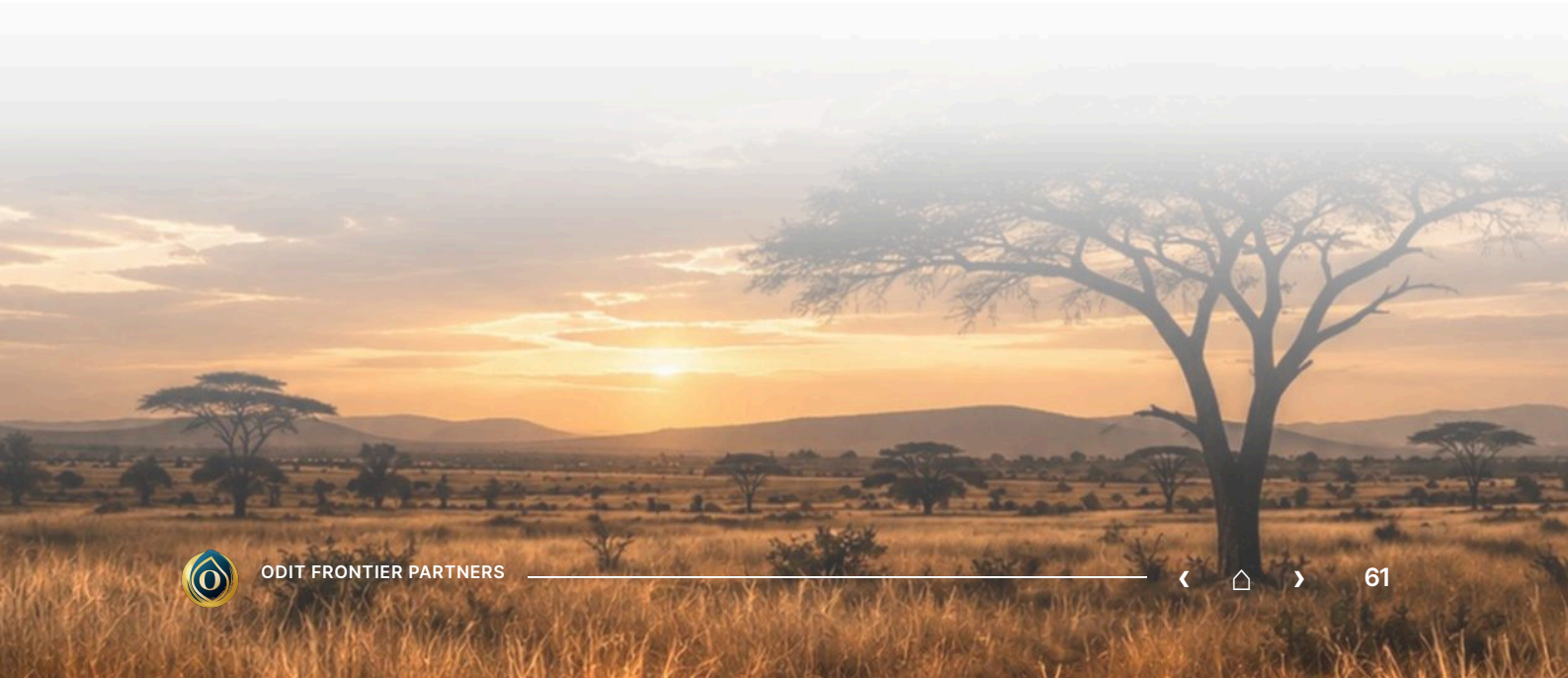


Table F2.3 COLLISION MAP: WHAT THE FUND WAS TO SUPPLY, AGAINST WHAT THE OPERATING COMPANY NOW SUPPLIES ITSELF

NOTE The left column is the conventional fund's role; the right is the same function performed by the operating company.

What the fund was to supply	What the operator now supplies itself
Access to institutional and international capital	Direct relationships with DFIs, commercial banks, strategic investors, sovereign funds and lenders
Assembly of a capital syndicate	Its own arranger mandate and its own syndication process
Financial structuring capability	In-house strategic finance, negotiating structured facilities on its own account
Reporting discipline and investor relations	An internal finance function reporting to lenders and shareholders directly, including on covenanted impact targets
Analytical capability and risk data	Proprietary operating and payments data, owned by the company, not the intermediary

SOURCE Odit Frontier Partners.

SCENE 2 · HOW IT PASSES IN: THE COMPANY RAISES CAPITAL DIRECTLY

With the capability in house, the company reaches institutional capital without a fund, across debt and equity. In some cases it raises, on its own account and in a single transaction, more than the entire Africa-focused fund class raises in a year. The sign of this scene is development finance institutions, banks and strategic investors writing directly to operating companies, which the 2026 record shows across eight sectors.

SCENE 3 · WHAT IT DOES TO THE FUND: BYPASSED ABOVE A SIZE THRESHOLD

Where a transaction is large enough for a company to assemble its own syndicate, the fund is increasingly absent. Beneath that threshold the pooled vehicle remains the dominant channel. The sign of this scene is direct institutional tickets appearing at sizes that would once have been assumed to sit inside the fund's territory, which is what makes the threshold look as though it is descending.

SCENE 4 · WHAT THE FUND MANAGER FACES: EARNING ITS PLACE ON WHAT REMAINS SCARCE

The fund manager is left asking which of its functions remain scarce enough to justify the fund layer at all. Governance and board capability, patient ownership through a downturn, sector judgement in markets where public data is poor, network access that a company cannot buy, willingness to hold concentrated illiquid risk, and the ability to underwrite businesses too small to assemble their own syndicate: those are the candidates, and none of them is answered by size. A fund manager whose functions have migrated to its clients has to earn its position on something other than position. The sign of this scene would be fund managers winning mandates on these functions rather than on access; it is not yet measured.

4 The evidence, scene by scene

Scenes 1 and 2 are well documented in 2026, Scene 3 is documented above the threshold but argued below it, and Scene 4 is this note's proposition. Table F2.4 sets out, for each scene, what would have to be true, the evidence for and against, and its status.

Table F2.4 THE EVIDENCE FOR FORCE 02, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument. Sources are given in the text below and in Tables F2.5 to F2.9.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. The company builds the capability	Companies run their own syndication and covenanted reporting	**Africa:** ETG holds a syndicate of development finance and institutional lenders and carries greenhouse-gas, deforestation and smallholder targets. WIOCC raises repeatedly across debt and equity without its fund sponsor as the route	A fund can stay on the share register while the company outgrows its function, as at WIOCC	DOCUMENTED in African cases
2. It raises capital directly	Development finance, banks, strategic investors and public markets finance companies without a fund	**Africa:** 37 direct operator financings in 2026, nine of them larger than the largest Africa-focused fund close. Dangote: US$4.0bn loan, US$2.5bn placement and a US$1.6bn IPO. Debt rose to 41% of African technology capital in 2025 (Partech)	Two pooled vehicles in ETG's syndicate are private-credit funds, which let institutions buy into direct loans: the inverse of the fund layer	DOCUMENTED across eight sectors
3. The fund is bypassed above a threshold	Direct tickets reach sizes once inside the fund's territory	**Africa:** IFC took US$25m of equity in Jumia; five rounds of about US$21m to US$40m carried development finance equity written directly. The median direct financing, US$180m, is above the median fund close, US$84m	Development finance institutions' largest tickets still went mainly to funds: Development Partners International IV, with IFC, Proparco and DEG; Ventures Platform Fund II, oversubscribed. IFC also set aside US$50m for co-investment, neither route	BYPASS DOCUMENTED descent proposed
4. The fund manager must earn its place	Funds win on governance, patient ownership, judgement and small companies	None yet measured	A boundary that descends is a different problem from one that holds; where it settles is not yet known	PROPOSED

SOURCE As cited in the text of this part and in Tables F2.5 to F2.9.

Scene 2 is where the 2026 record has moved fastest, and it now runs well beyond venture technology. Table F2.5 lists a selection of the operating-company financings recorded in 2026, each with the fund size class it would fall into.

Table F2.5 SELECTED AFRICAN OPERATING-COMPANY FINANCINGS IN 2026, WITH THE FUND SIZE CLASS EACH WOULD FALL INTO

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Company	Amount	Date	Fund class equivalent	Structure and counterparties
Bluecore Gas Infraco	US$285m	7 Jan 2026	4 Mid-market	Standard Bank financing to fund the acquisition of Glover Gas & Power (Axxela).
Sonangol	US$1.75bn	Jan 2026	5 Large	Syndicated receivables purchase facility arranged by Afreximbank, alongside a separate US$750m bond private placement. State-owned operating company.

Company	Amount	Date	Fund class equivalent	Structure and counterparties
Aradel Holdings	US$250m	29 Jan 2026	4 Mid-market	Facility from Stanbic IBTC Capital, Stanbic IBTC Bank and The Standard Bank of South Africa to buy a further 40% of ND Western, refinance existing debt and lift production.
NSIA Advanced Medical Services (MedServe), Nigeria	US$24.3m	3 Feb 2026	2 Emerging	Loan from IFC.
Dangote Petroleum Refinery	US$4.0bn	March 2026	5 Large	Senior syndicated term loan, five years. Afreximbank and Access Bank co-mandated lead arrangers, Afreximbank underwriting US$2.5bn; Mashreqbank, MUFG and Standard Chartered joint global coordinators. No fund intermediary.
FERMAV Industries (SONOCO Group), Guinea	US$20m	26 Mar 2026	2 Emerging	IFC loan to establish Guinea's first vertically integrated poultry operation.
Vista Gui (Vista Group Holding)	US$20m	27 Mar 2026	2 Emerging	Senior loan from IFC.
Optasia	US$330m	13 Apr 2026	4 Mid-market	Syndicated refinancing and upsizing: US$180m of term facilities and US$150m of bank guarantees, Standard Bank joint mandated lead arranger and underwriter.
Yas (Axian Telecom) and Axian Energy	Up to EUR 300m	12 May 2026	4 Mid-market	Memorandum of understanding with Proparco to mobilise up to EUR 300m over three years through corporate finance, bond subscriptions and equity co-investment. A commitment in principle, not a signed loan.
Traxtion	US$34m	June 2026	2 Emerging	Revolving credit facility from Absa, to be replaced with longer-term debt.
MIDROC Ethiopia	US$80m	15 Jun 2026	3 Lower mid-market	Long-term loan from IFC.
Greenview Fertiliser (Dangote)	US$600m	June 2026	5 Large	Senior term loan from Africa Finance Corporation, within a US$7bn expansion programme.
Spiro	US$215m	June 2026	4 Mid-market	Equity, no lead investor disclosed; Impact Fund Denmark and Equitane named. Follows US$100m in October 2025, of which US$75m from Afreximbank's FEDA, and a US$50m debt facility in February 2026.
d.light	US$50m	June 2026	3 Lower mid-market	Green bond listing, the first time African off-grid solar receivables entered public bond markets.
Gledhow Sugar	ZAR 500m	30 Jun 2026	2 Emerging	Seven-year rand facility from FMO, about US$27m, to complete the mill's modernisation after business rescue and switch from coal to bagasse power.
Helios Towers	US$29m	15 Jul 2026	2 Emerging	Social documentary credit facility from Standard Bank for shared tower infrastructure.
Bridgement	US$20.3m	July 2026	2 Emerging	Funding from RMB and Standard Bank to expand SME lending; instrument not stated.

Company	Amount	Date	Fund class equivalent	Structure and counterparties
Lobito Corridor Railway	US$753m	July 2026	5 Large	Financial close for the 1,300 km rail link from the Port of Lobito to the DRC border; Africa Finance Corporation, DFC and DBSA named, split not stated.
Polynickel West Africa	US$180m	July 2026	4 Mid-market	Syndicated facility refinancing acquisition bridge debt, with EBRD (its first sub-Saharan mining investment), RMB, Absa and Abu Dhabi Commercial Bank.
Moove	US$250m	5 Aug 2026	4 Mid-market	Series C at a US$2.1bn valuation, led by Mubadala with Woven Capital and Ion Pacific; BlackRock, Franklin Templeton, MUFG, Uber and an Ontario pension plan on the register. Roughly 42,000 vehicles across 29 cities and 13 countries.
Jumia Technologies	US$50m	12 Aug 2026	3 Lower mid-market	Private placement of 9,057,968 American depositary shares at US$5.52. IFC subscribed US$25m under its own subscription agreement; separate share purchase agreements with Axian and other investors covered the balance. New York listed issuer.
Dangote Petroleum Refinery	US$2.5bn	13 Aug 2026	5 Large	Private placement of equity, 3.7 times oversubscribed, led by Africa Finance Corporation with institutional, sovereign-related and development investors. No private-equity sponsor.
M-KOPA Kenya Mobility	US$30m	Aug 2026	2 Emerging	Senior debt commitment from FMO for its electric motorbike financing unit.
Dangote Sugar Refinery	NGN 485.9bn	Aug 2026	4 Mid-market	Oversubscribed rights issue, about US$358m, to cut debt and strengthen the balance sheet.
Genser Energy	US$529m	Aug 2026	5 Large	Term and revolving credit facilities (EUR 456m) arranged by RMB, Absa and Standard Bank for its West African gas-to-power platform.
Babban Gona, Nigeria	Up to US$36m	18 Aug 2026	2 Emerging	New FMO facility for the farmer-owned agricultural enterprise, disclosed and in contracting; FMO's page also shows US$24m total financing.
WIOCC Group	US$300m	1 Sep 2026	4 Mid-market	Shareholder subscription agreement with Africa Finance Corporation and Vision Invest, the Saudi infrastructure investor, for data centres, open-access terrestrial fibre and new subsea assets across more than thirty countries. Split between investors and resulting stake not disclosed.
Africa GreenCo	US$21.5m	Sep 2026	2 Emerging	Third funding close: a further US$11.5m from existing shareholders PIDG (InfraCo) and Impact Fund Denmark, plus new investor Sanlam Alternative Investments.
Paymob, Egypt	US$35m	Sep 2026	2 Emerging	Pre-Series C co-led by Mubadala and EBRD, with British International Investment, Global Ventures and DPI.
East Africa Foods, Tanzania	About US$40m	8 Oct 2026	2 Emerging	Includes a US$26m Series B equity round led by PIDG through InfraCo, with Oikocredit and FMO; existing shareholders reinvested.
WIOCC Group	US$155m	Sep 2026	4 Mid-market	Equity approved by DFC, its largest equity investment to date.

Company	Amount	Date	Fund class equivalent	Structure and counterparties
Swami Agri	XOF 30bn	Oct 2026	3 Lower mid-market	Green bond of about US$52m, fully guaranteed, the first agricultural green bond in the UEMOA zone; the ALCB Fund disclosed an anchor ticket of about US$7m.
Dangote Petroleum Refinery	US$1.6bn	11 Nov 2026	5 Large	Initial public offering drawing US$4.3bn (₦5.85 trillion) of bids: about US$1.9bn from Nigerian investors and US$2.1bn from international buyers, with the Public Investment Corporation and Nigerian pension fund administrators among the bidders. [22]
Vaaris Resources	US$600m	Oct 2026	5 Large	Secured borrowing-base facilities totalling US$600m, including a senior facility of up to US$500m, to part fund the Renaissance joint venture acquisition. Deal reporting describes a US$100m junior component and names Standard Bank, Africa Finance Corporation and Shell Western Supply and Trading as lenders.
Pickalbatros Hotels & Resorts	US$250m	Oct 2026	4 Mid-market	Financing package from IFC and Attijariwafa bank, IFC's largest investment in African hospitality, to buy three Casablanca hotels and refurbish the Moroccan portfolio.

SOURCE Afreximbank press releases, Dangote Petroleum Refinery syndicated term loan, March 2026, and Sonangol receivables facility, January 2026. Africa Finance Corporation, Dangote private placement, 13 August 2026, Greenview Fertiliser, June 2026, and technology fund manager commitment, 18 May 2026. FMO, ETG sustainability-linked loan upsize to US$600m, 25 August 2026, and the 2024 US$394m facility with TDB Group. Mubadala, Moove Series C, 5 August 2026. Jumia Technologies AG, Form 6-K, 12 August 2026, and Q2 2026 results release, 12 August 2026. Spiro press releases, October 2025 and February 2026; White & Case, US$215m fundraising, June 2026. Africa Finance Corporation, WIOCC Group shareholder subscription agreement, 1 September 2026. Bracewell, Vaaris Resources Nigerian upstream acquisition and financing, 30 October 2026 (US$600m total). Latham & Watkins, Vaaris Resources JVCo US$500m senior secured borrowing base facility, 28 October 2026. Vaaris junior component and lenders: deal reporting recorded in the OFP LinkedIn Intelligence Register. OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Four cases deserve the argument's weight: ETG, Dangote, Jumia and WIOCC. Each shows a different side of the mechanism: who runs the syndicate, how large a direct raise can be, how small a direct ticket can be, and what happens when a fund is already on the share register.

ETG is the cleanest instance of the mechanism because it is not a venture-technology anomaly. It is an agricultural commodities business that assembled thirteen development-finance and institutional lenders behind a single sustainability-linked facility, upsized by 52% in under two years as five new lenders joined, with its interest margin tied to greenhouse-gas, deforestation and smallholder-outreach targets and a stated goal of reaching one million African smallholder farmers. The operator is running the syndication, carrying the covenanted impact reporting, and holding the lender relationships. Those are precisely the functions an intermediary was supposed to supply. Two participants, FMO Investment Management and ILX Fund, are pooled vehicles, but they are private-credit funds that exist to let institutions buy into direct development-finance loans, which is the inverse of the layer under discussion.[23]

Dangote matters because of scale and because the equity leg is not venture at all: a US$2.5bn private placement by an African operating company, 3.7 times oversubscribed, led by a multilateral rather than a private-equity sponsor.[24]

22 The offer, open from 14 September to 27 October 2026, missed Aliko Dangote's stated target of 10 million retail investors; official investor numbers had not been reported. Daily Trust, Dangote refinery IPO misses 10m investors target, 8 November 2026.
23 FMO, ETG sustainability-linked loan upsize to US$600m, 25 August 2026, and the 2024 US$394m facility with TDB Group.
24 Africa Finance Corporation, Dangote private placement, 13 August 2026, Greenview Fertiliser, June 2026, and technology fund manager commitment, 18 May 2026.

separate share purchase agreements covering the balance with Axian and other investors.[25] **What follows is a comparison of ticket sizes rather than a reported finding.** A US$25m direct equity ticket from a development finance institution into a single operating company sits inside the range that the same institution would conventionally commit to a fund, and the transaction as a whole is smaller than every fund close set out as counter-evidence below. The direct route is therefore appearing beneath the mega-transaction tier, at a ticket size relevant to conventional growth-equity intermediation rather than far above it.

Two boundaries hold that observation in place. Jumia is a New York listed issuer, so this is a public-market instrument and carries no direct implication for privately held companies of comparable size. And the company's own second-quarter disclosure records a liquidity position of US$48.3m at 30 June 2026, so the placement is balance-sheet financing as well as growth financing.[26] Neither point disturbs the ticket-size observation, which is about the size of cheque an institutional investor proved willing to write directly.

WIOCC extends the pattern into digital infrastructure, and it is the most instructive of the 2026 cases precisely because it does not fit the simple version of the argument. On 1 September 2026 the pan-African carrier-neutral platform signed a shareholder subscription agreement for a combined US$300m from Africa Finance Corporation and Vision Invest, to fund data centre deployment and consolidation, an open-access terrestrial fibre footprint and new subsea assets across more than thirty African countries.[27]

The qualification is stated here rather than left for a reader to discover. WIOCC is not an operating company without a fund on its register. African Capital Alliance took an equity position through its Cape IV fund in November 2021, and the International Finance Corporation followed with a US$30m equity investment in 2022.[28] The claim this case supports is therefore narrower, and more interesting, than the absence of an intermediary. It is that the company has since raised repeatedly and directly, across instruments and counterparties, without the fund serving as the route: a US$65m sustainability-linked facility in December 2025 from Proparco, IFC, the Emerging Africa and Asia Infrastructure Fund and Ninety One; further IFC equity during 2026; and now a subscription from a multilateral and a sovereign-adjacent infrastructure investor.[29] As with ETG, the pooled vehicles among those lenders are credit and infrastructure funds that exist to let institutions buy into direct lending, which is the inverse of the layer under discussion.

What the case demonstrates is therefore function-specific rather than general, which is the discipline this force requires throughout. The company holds the institutional relationships, assembles its own capital across debt and equity, and carries the covenanted sustainability reporting. A private-equity fund remains on its share register while ceasing to be the mechanism through which it reaches institutional capital. The operator has not displaced its sponsor. It has outgrown its sponsor's function, which is the narrower and more durable version of the claim.

Breadth is what the 2026 record has added, more than any single transaction. The cases now span agricultural commodities, refining and petrochemicals, state-owned oil, fertiliser, mining, electric mobility, listed consumer technology and pan-African digital infrastructure. A pattern confined to venture technology, or to one industrial champion, is fairly dismissed as an anomaly. A pattern that crosses eight sectors and both sides of the balance sheet is a different kind of observation.

25 Jumia Technologies AG, Form 6-K, 12 August 2026, and Q2 2026 results release, 12 August 2026.
26 As note 25.
27 Africa Finance Corporation, WIOCC Group shareholder subscription agreement, 1 September 2026.
28 TechCentral on WIOCC's shareholder register and prior rounds, September 2026.
29 Proparco, WIOCC Group US$65m sustainability-linked raise, 15 December 2025.

Earlier examples establish trajectory rather than current state. Sun King closed a Kenyan-shilling securitisation of US$156m in July 2025, senior tranche taken by five commercial banks with British International Investment, FMO and Norfund in the mezzanine; the disclosed structure contains no private-equity fund intermediary.[30] M-KOPA raised over US$250m in 2023, roughly US$55m of equity led by Sumitomo plus more than US$200m of sustainability-linked debt led by Standard Bank with IFC, FMO and British International Investment among the lenders.[31]

At category level, Partech puts debt at 41% of all African technology capital in full-year 2025, up from 17% in 2019.[32] On a narrower disclosed-transaction basis, Launch Base Africa records debt rising from 18.5% of African technology capital in the first half of 2025 to 36.7% in the first half of 2026.[33] The two series rest on different universes and different methodologies, and should not be spliced together.

Scene 3 rests on comparing the size of direct financings with the size of African funds. Table F2.6 sets the baseline: the sizes of Africa-focused funds that raised in 2026, smallest first. Table F2.7 groups those funds into size classes and sets them against the direct financings in Table F2.5, and Table F2.8 shows where funds below target stood at their latest close.

Table F2.6 THE BASELINE: AFRICA-FOCUSED FUND SIZES IN 2026, SMALLEST FIRST

NOTE An indicative sample of Africa-focused funds that raised in 2026, not the full list. Funds are drawn from the OFP LinkedIn Intelligence Register to 14 November 2026 that disclose a target or a close. Funds are ordered and classed by the latest disclosed close where there is one, otherwise by target. Converted amounts use the source's own US dollar figure where given. Funds of funds, government programme announcements without a named manager, warehouse facilities, records of a single investor's commitment and global funds in which Africa is one region among several are excluded. This is not a comprehensive list of 2026 fundraises: some fundraises have been intentionally removed on editorial grounds.

Manager and fund	Target	Latest disclosed close	Date	Class
RH Managers, Impact fund	R75m	None disclosed	2 Mar 2026	1 Sub-scale
OneBio, Second fund	US$17.8m	US$5.9m, first close	Apr 2026	1 Sub-scale
Launch Africa Ventures (adviser), Botswana Tech Fund 1	US$67m	US$6.7m, first close	Jul 2026	1 Sub-scale
S2E Africa, Kenafric Ventures	US$10m	None disclosed	Oct 2026	2 Emerging
3IF Ventures, Inclusive Insurance Investment Fund	US$30m	US$12m, first close	Jun 2026	2 Emerging
FCMB Asset Management and TLG Capital, FCMB-TLG Private Debt Fund Series II	US$14.5m	US$15m, final close	Jul 2026	2 Emerging
Delta40	Not stated	US$20m, final close	11 Feb 2026	2 Emerging
Enza Capital, AI Africa Fund (Enza Capital III)	US$60m	US$21m, first close	11 Nov 2026	2 Emerging
AfricaWorks Investment Partners, Second real estate fund	Not stated	US$25m, final close	Oct 2026	2 Emerging

30 Citi, Sun King securitisation, July 2025.
31 M-KOPA newsroom, May 2023.
32 Partech, 2025 Africa Tech VC Report, 22 January 2026.
33 Launch Base Africa, H1 2026 African tech funding tabulation, 1 July 2026.

Manager and fund	Target	Latest disclosed close	Date	Class
Grindstone Ventures, Fund II	R500m	None disclosed	Sept 2026	2 Emerging
Sahel Capital, Sahel Capital Agribusiness Fund II	US$75m	US$29m, first close	Jan 2026	2 Emerging
Catalyst Fund, Catalyst Climate Resilience Fund I	Not stated	US$30m, second close	Jul 2026	2 Emerging
HAVAÍC, African Innovation Fund 3	US$50m	US$30m, third close	17 Feb 2026	2 Emerging
Digital Africa, Seed fund	EUR30m	None disclosed	Jun 2026	2 Emerging
Beltone and Amtaar, Fractional real estate fund	EGP1.87bn (US$38.2m)	None disclosed	Oct 2026	2 Emerging
Secha Capital, SME growth fund (Fund II)	US$40m	Second close, amount not stated	Apr to May 2026	2 Emerging
AHL Venture Partners, Africa Credit Fund	US$70m	US$45.5m, interim close	Aug 2026	2 Emerging
Aqua-Spark, Aqua-Spark Africa	Not stated	US$48m, first close	Feb to Mar 2026	2 Emerging
AgDevCo, AgDevCo Ventures vehicle	Not stated	US$49m, first close	Oct 2026	2 Emerging
Lighthouse Capital SA, Debut fund	US$50m	None disclosed	Oct 2026	3 Lower mid-market
AIIM, African Transition Acceleration Fund	US$200m	US$50m, first close (anchor)	Mar 2026	3 Lower mid-market
Persistent, Africa climate venture fund	US$70m	US$52m, first close	Feb to Mar 2026	3 Lower mid-market
Alta Semper Capital, Alta Semper Growth Fund II	US$150m	US$57.5m, commitments to date	14 Jan 2026	3 Lower mid-market
EmergingTech Ventures, EmergingTech Ventures Fund II	US$60m	None disclosed	Jun 2026	3 Lower mid-market
Inside Capital Partners, Inside Equity Fund II	Not stated	US$72.2m, final close	14 Jan 2026	3 Lower mid-market
Cauris Finance, Third Wave Fund	US$75m	None disclosed	Oct 2026	3 Lower mid-market
Àrgentil, West Africa SME fund	US$75m	None disclosed	Apr 2026	3 Lower mid-market
CardinalStone Capital Advisors, CCA Growth Fund II	US$120m	US$76m, first close	Sept 2026	3 Lower mid-market
Ventures Platform, VP Pan-African Fund II	US$75m	US$84m, final close	Aug 2026	3 Lower mid-market
Phatisa, Phatisa Food Fund 3	Hard cap US$300m	US$86m, first close (hard cap shown)	Feb 2026	3 Lower mid-market

Manager and fund	Target	Latest disclosed close	Date	Class
Finance Earth, Africa Nature Impact Fund	US$100m	None disclosed	2026	3 Lower mid-market
DPI Venture Capital, Nclude Fund	Not stated	US$112m, final close	Oct 2026	3 Lower mid-market
TLG Capital, Africa Growth Impact Fund II	Not stated	US$120m, second close	Sept 2026	3 Lower mid-market
Tanmiya Capital Ventures, Tanmiya Capital Ventures Fund II	US$120m	US$130m, final close	Oct 2026	3 Lower mid-market
Novastar Ventures, Africa People and Planet Fund III	Not stated	US$147m, final close	Apr 2026	3 Lower mid-market
Lightrock, Lightrock Africa Growth Fund II	US$150m to US$200m	None disclosed	Nov 2026	4 Mid-market
IMG Capital, IMG Fund I	MAD1.5bn	None disclosed	Jun 2026	4 Mid-market
Arigo Capital, anAble Africa Fund I	US$150m	None disclosed	Sept 2026	4 Mid-market
Creation Capital, Creation Yield Fund	R3bn	None disclosed	Jul 2026	4 Mid-market
Infinite Partners, Core Equity Fund II	R2.5bn	R2.8bn (US$169.3m), final close	Oct 2026	4 Mid-market
Inspired Evolution, Zafiri	Not stated	US$176m, capital at launch	Jun 2026	4 Mid-market
A.P. Moller Capital, APM Capital Morocco Fund	Not stated	MAD1.64bn (US$178m), final close	Feb 2026	4 Mid-market
Adenia Partners, Adenia Capital fund	Not stated	US$180m, hard cap	Feb to Mar 2026	4 Mid-market
Acumen, Amplify	Not stated	US$180m, final close	Jan 2026	4 Mid-market
Climate Fund Managers, SA-H2 Fund	Not stated	R3.0bn (US$182m), first close	Aug 2026	4 Mid-market
AfricInvest and ThirdWay Partners, Transform & Adaptation Fund	US$200m	None disclosed	13 Nov 2026	4 Mid-market
Cascador and Sterling Bank, SME credit backstop fund	US$200m	None disclosed	Oct 2026	4 Mid-market
Amethis, Amethis MENA Fund III	EUR200m	None disclosed	Jun 2026	4 Mid-market
Airnergize Capital, Airnergize Capital Fund I	Not stated	R3.89bn (US$239m), final close	Sept 2026	4 Mid-market
Verod Capital, Verod Capital Growth Fund IV	US$250m	None disclosed	Oct 2026	4 Mid-market
Helios Investment Partners, Helios Climate	Not stated	US$250m, second close	5 Feb 2026	4 Mid-market
Lendable, MSME Fintech Credit Fund II	Not stated	US$255m, final close	Sept 2026	4 Mid-market

Manager and fund	Target	Latest disclosed close	Date	Class
NSIA and Africa50, Nigeria Distributed Renewable Energy Fund	US$300m	None disclosed	Oct 2026	4 Mid-market
Africa50, Africa50 Infrastructure Acceleration Fund	US$500m	US$330m, fourth close	Aug 2026	4 Mid-market
Capitalworks, Capitalworks Private Equity Fund IV	US$350m	First close, amount not stated	Jul 2026	4 Mid-market
Africa50, AGIA Project Development Fund	US$400m	None disclosed	Sept 2026	4 Mid-market
Ninety One, Africa Credit Opportunities Fund 3	Not stated	US$404m, final close	Aug 2026	4 Mid-market
Amethis, Amethis Fund III	EUR406m	EUR406m (about US$438m), final close	15 Jan 2026	4 Mid-market
African Capital Alliance, CAPE V	US$500m	None disclosed	12 Nov 2026	5 Large
Virunga Capital, Virunga Africa Fund II	US$500m	None disclosed	Oct 2026	5 Large
AFC Capital Partners, Infrastructure Climate Resilient Fund	US$750m	None disclosed	Aug 2026	5 Large

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F2.7 FUND SIZE CLASSES, AGAINST SINGLE DIRECT FINANCINGS TO OPERATING COMPANIES

NOTE Direct operator financings are the 37 transactions in Table F2.5, converted to US dollars at approximate 2026 rates. Nine single financings are larger than the largest disclosed close of any Africa-focused fund on the register, Amethis Fund III at about US$438m. Of twelve funds whose latest disclosed close is a first close, seven stand below US$50m and two below US$10m. Fund counts are from the sample in Table F2.6, which is not comprehensive.

Class	Range	Funds, by target	Funds, by latest disclosed close	Single direct operator financings, by amount
1 Sub-scale	Under US$10m	1	2	0
2 Emerging	US$10m to under US$50m	8	11	12
3 Lower mid-market	US$50m to under US$150m	14	12	5
4 Mid-market	US$150m to under US$500m	16	12	11
5 Large	US$500m and above	4	0	9
All		43	37	37
Median		US$120m	US$84m	US$180m

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F2.8 FIRST AND INTERIM CLOSES AGAINST TARGET, 2026

NOTE Funds in the sample above whose latest disclosed close is below their target. A first close is normally a fraction of target, so a low share is not by itself a failure; the table shows where each fund stood when last reported. Two first closes fell below US$10m. Phatisa's share is against its hard cap. Drawn from Table F2.6, which is not a comprehensive list: some fundraises have been intentionally removed on editorial grounds.

Manager and fund	Latest close	Raised	Target	Share of target	Date
Launch Africa Ventures (adviser), Botswana Tech Fund 1	First close	US$6.7m	US$67m	10%	Jul 2026
AIIM, African Transition Acceleration Fund	First close, anchor	US$50m	US$200m	25%	Mar 2026
Phatisa, Phatisa Food Fund 3	First close	US$86m	Hard cap US$300m	29%	Feb 2026
OneBio, Second fund	First close	US$5.9m	US$17.8m	33%	Apr 2026
Enza Capital, AI Africa Fund (Enza Capital III)	First close	US$21m	US$60m	35%	11 Nov 2026
Alta Semper Capital, Alta Semper Growth Fund II	Commitments to date	US$57.5m	US$150m	38%	14 Jan 2026
Sahel Capital, Sahel Capital Agribusiness Fund II	First close	US$29m	US$75m	39%	Jan 2026
3IF Ventures, Inclusive Insurance Investment Fund	First close	US$12m	US$30m	40%	Jun 2026
HAVAÍC, African Innovation Fund 3	Third close	US$30m	US$50m	60%	17 Feb 2026
CardinalStone Capital Advisors, CCA Growth Fund II	First close	US$76m	US$120m	63%	Sept 2026
AHL Venture Partners, Africa Credit Fund	Interim close	US$45.5m	US$70m	65%	Aug 2026
Africa50, Africa50 Infrastructure Acceleration Fund	Fourth close	US$330m	US$500m	66%	Aug 2026
Persistent, Africa climate venture fund	First close	US$52m	US$70m	74%	Feb to Mar 2026

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Development finance institutions have not abandoned the fund layer. Through 2026 their largest African tickets still went overwhelmingly to funds and managed mandates rather than operating companies: Kuramo's African investment mandates of about US$500m, and TLG Capital's second Africa Growth Impact Fund at a US$120m second close, while an Africa Finance Corporation climate infrastructure fund for Nigeria launched with a US$750m target.[34] The African Development Bank's large 2026 African commitments went to on-lending intermediaries, including US$332m to Standard Bank Group in July 2026 and US$200m to Nigeria's Bank of Industry in May. Africa Finance Corporation

34 Africa Private Equity News: Lightrock launches Accelerate7 after $500m fund close, May 2026; Kuramo closes African investment mandates worth about $500m, July 2026; AFC Capital Partners launches Nigeria climate infrastructure fund, August 2026. OFP LinkedIn Intelligence Register.

approved US$100m for Africa-focused technology fund managers in May 2026.[35] And Ventures Platform closed a pan-African fund II at US$84m against a US$75m target, oversubscribed, with EBRD and Norfund among new investors, in late August 2026.[36]

The strongest single piece of counter-evidence in this section is larger than any of those. Development Partners International reached a first close on a fourth Africa fund in February 2026 against a US$1bn target, with IFC committing up to US$75m, Proparco US$42m and DEG US$50m, for a growth strategy investing in mid-sized and large companies.[37] That is development finance money committing at scale to a pooled vehicle, in the size band where this force claims the bypass operates, which is precisely where the claim is most exposed.

One detail inside it cuts both ways and is worth separating out. Alongside its fund commitment, IFC recorded a further US$50m for co-investment.[38] A dedicated co-investment allocation is capital routed around the fund's fee and carry while retaining the manager's sourcing and diligence, so it is neither intermediation as previously constituted nor a bypass of it. **Whether the co-investment share of development finance activity in Africa is rising was not established in the sources reviewed, and no trend is asserted.** It is noted because it is a third possibility the binary framing of this force does not otherwise capture.

The honest formulation is therefore narrower and more durable than a general disintermediation claim. What follows is this note's proposition rather than a reported finding. The fund layer is being bypassed above a size threshold rather than across the board, and the more consequential point is that the threshold does not look fixed. Where a transaction is large enough for an operating company to assemble its own syndicate, the intermediary is increasingly absent, and the 2026 record places direct institutional equity at ticket sizes that would until recently have been assumed to sit inside the fund's territory. The record has also broadened across sectors rather than deepening in one, which makes the pattern harder to attribute to the circumstances of a single industry. Beneath that threshold the pooled vehicle remains the dominant channel.[39] But a boundary that descends is a different problem from a boundary that holds, because it means the fund's defensible opportunity set is defined by where the threshold settles rather than by the fund's own capabilities.

The record confirms these cases and their counter-evidence, case by case. Table F2.9 lists the cases from the record by scene, each marked as showing the force at work or cutting against it.

35 Standard Bank Group, A USD 332 million deal with African Development Bank for SMEs, 31 July 2026. Nairametrics, AfDB approves US$200 million facility for BOI to support Nigerian SMEs, 16 May 2026. Africa Finance Corporation, technology fund manager commitment, 18 May 2026.
36 Disrupt Africa, Ventures Platform Fund II, 27 August 2026.
37 ImpactAlpha, Development Partners International fourth Africa fund first close, 25 February 2026.
38 As note 37.
39 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F2.9 CASES FROM THE RECORD FOR FORCE 02, BY SCENE: AT WORK AND AGAINST

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

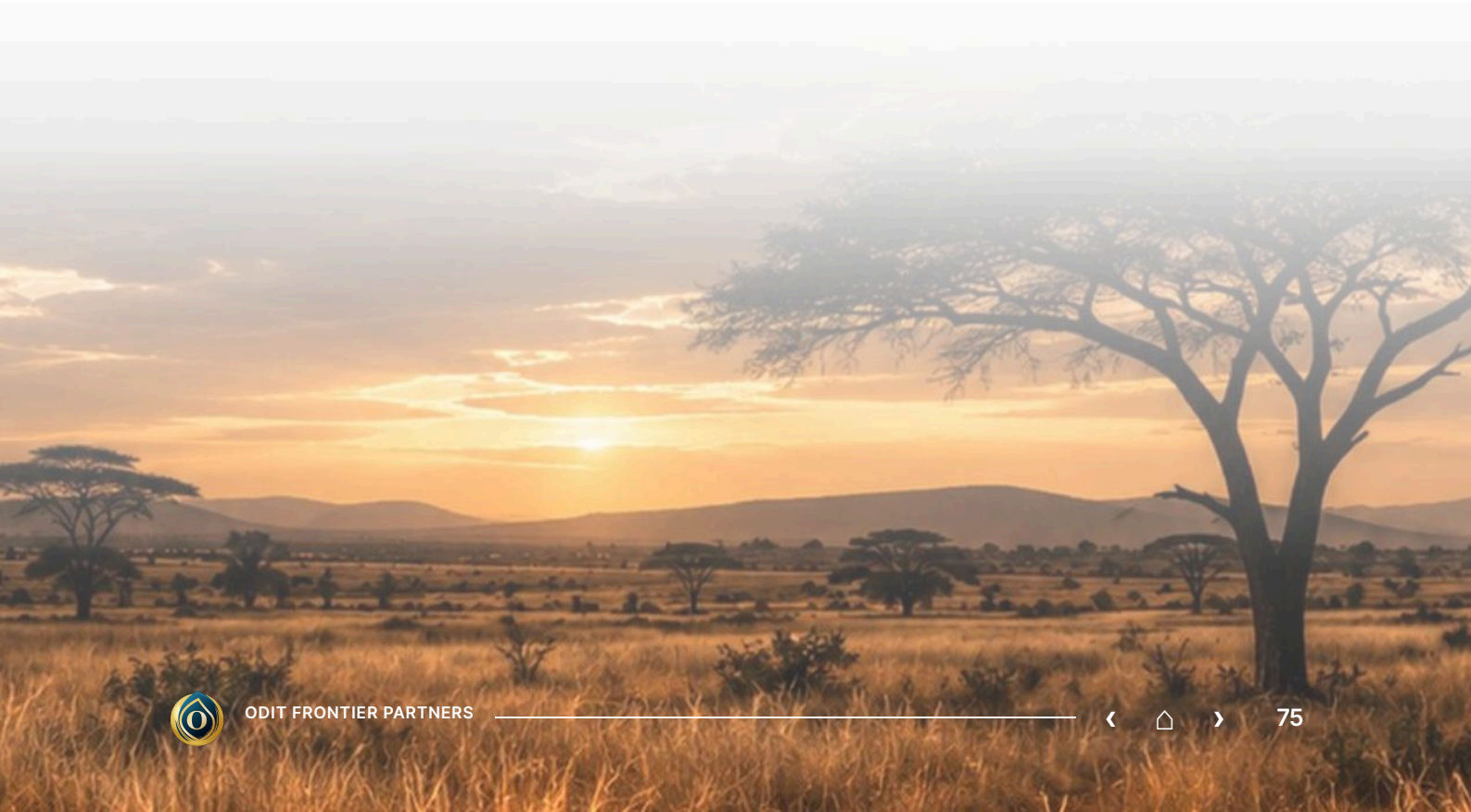
Scene	Case	Date	What the record shows	What it shows here	Source
2	**At work:** DFC places its largest equity investment to date directly into WIOCC	Sep 2026	The United States International Development Finance Corporation approved US$155m of equity in WIOCC, its largest equity investment to date, after the US$300m combined subscription from Africa Finance Corporation and Vision Invest in September.	A third institutional equity cheque in two months, each written to the operator, at a scale above most African fund closes.	Africa Capital Digest, via LinkedIn. Biometric Update, via LinkedIn.
1 and 2	**At work:** ETG sustainability-linked facility reaches US$600m	Sept 2026	The TDB Group facility for ETG, coarranged with FMO, has grown to US$600m from US$394m. New lenders include the Asian Development Bank, CDP, Finnfund, Impact Fund Denmark and OeEB.	The operator holds the lender syndicate and the impact reporting. Five more institutions joined it directly.	TDB Group, via LinkedIn.
1 and 2	**At work:** Yoco funds its own merchants	10 to 11 Nov 2026	Yoco, a South African payments company with about 200,000 merchants, took a US$100m credit facility from Victory Park Capital Advisors, its first debt raise, to fund cash advances to its own merchants, repaid from their daily card sales. Partners had supplied all its merchant funding until then, about R6.5bn since 2018.	The operator lends to small businesses directly, judging risk from its own payments data, with money raised straight from a foreign lender and no fund in between.	Hardlife Muhamba, via LinkedIn. The Paypers, 11 November 2026. Billionaires.Africa, 10 November 2026.
2	**At work:** Dangote Petroleum Refinery IPO draws US$4.3bn of bids	11 Nov 2026	Bids of US$4.3bn (₦5.85 trillion) against a US$1.6bn target: about US$1.9bn from Nigerian investors and US$2.1bn from international buyers, with South Africa's Public Investment Corporation and Nigerian pension fund administrators among the bidders.	An African operator reaching domestic and global institutions through the public market, at a scale no African fund has raised.	Shore Africa, via LinkedIn. Billionaires.Africa, 11 November 2026, for the reported totals.
2	**At work:** Spiro and Moove	Aug to Oct 2026	Moove raised US$250m at a US$2.1bn valuation, led by Mubadala. Spiro's equity round is recorded at US$270m, including US$55m from NewTrails Capital.	Two more direct equity rounds above US$250m in mobility. The record does not state the date of the Spiro round, so its figure is used with caution.	Challenger Capital and Empower Africa, via LinkedIn.
3	**At work:** Five mid-sized rounds with development finance equity written directly	Aug to Oct 2026	IFC took US$25m of equity in Jumia. EBRD co-led Paymob's US$35m round, with BII. IFC, BII and Proparco backed ARC Ride's US$33.3m round. PIDG, through InfraCo, led EA Foods' US$26m Series B within about US$40m raised, with FMO. PIDG and Impact Fund Denmark added US$11.5m to Africa GreenCo's US$21.5m close.	Five rounds of about US$21m to US$40m across e-commerce, payments, electric mobility, food distribution and power offtake. The Jumia ticket is no longer a single observation.	LinkedIn posts from African-Startups, Empower Africa, TechAwkNG and Africa Investor Review.

Scene	Case	Date	What the record shows	What it shows here	Source
3	**Against:** Ventures Platform Pan-African Fund II closes above target	Sept 2026	Final close of US$84m against US$75m. New investors: EBRD, Norfund, Alphatron, Ashesi University Foundation and a family office consortium. Returning: iDICE, IFC, Standard Bank, BII, Proparco, MSMEDA, AfricaGrow and Alder Tree.	Development finance still commits to African funds and returns to them.	Inuka Partners, via LinkedIn.
3	**Against:** African Development Partners IV first close	23 Feb 2026	Proparco committed US$42m to Development Partners International's fourth Africa fund at first close, alongside other development finance institutions and private investors.	The counter-case in the size band where the bypass is claimed, confirmed in the register.	Africa Private Equity News.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

Force 02 does not claim that operating companies replace funds; that is too strong, and the counter-evidence above refutes it. It claims that operators are absorbing specific intermediary functions, and that the ones they have absorbed first are the ones that scale with size: assembling lenders, holding lender relationships, structuring, and the reporting that sits on top of a covenanted facility. When those migrate, capital routes to the operator directly and the fund manager is left arguing for a narrower band of value than its economics assume.

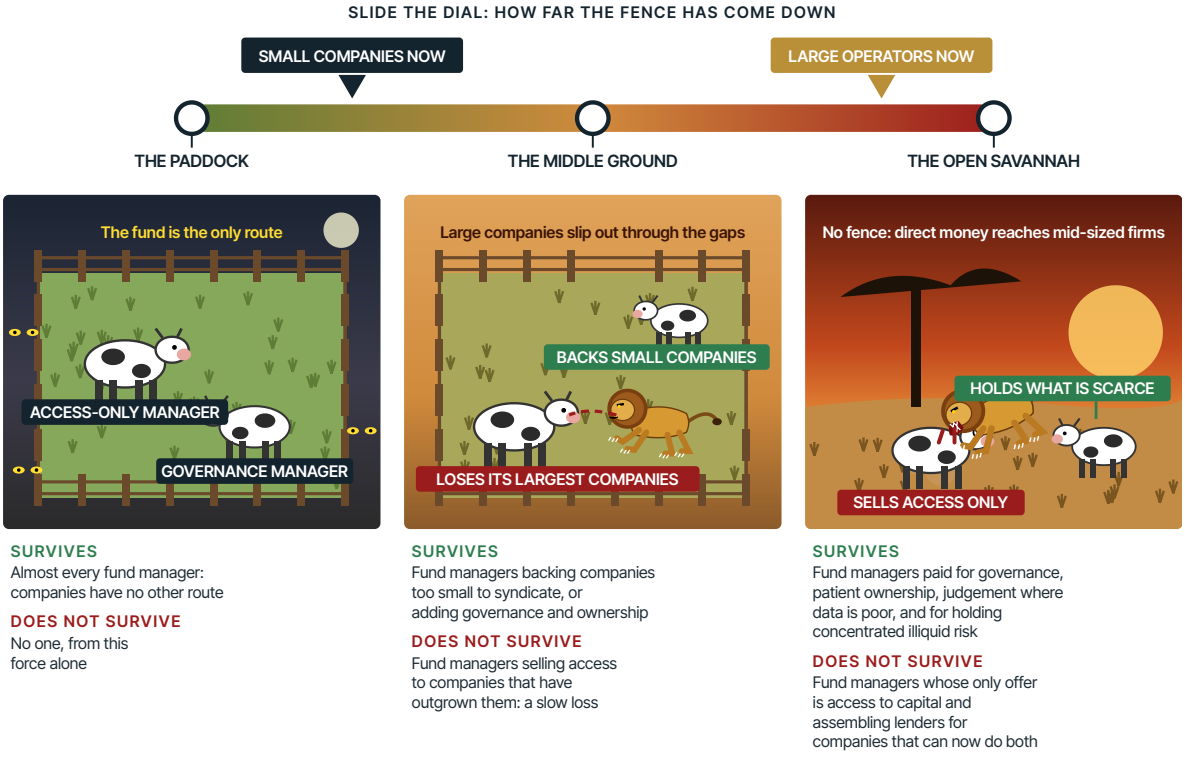


5 Sliding the dial: who survives Force 02, and who does not

How much damage Force 02 does depends on where the market sits on the range from paddock to open savannah, and on how large the company is. In the paddock the fund is the only route between investors and companies. In the middle ground large companies go direct while smaller ones still need a fund. On the open savannah the size threshold has descended far enough that direct financing reaches the mid-sized companies African funds were built for. Figure F2.4 slides the dial across the three positions and shows, for each, who survives and who does not; Table F2.10 gives the full wording. The markers show where this note reads the African market now: large operating companies already on the open savannah, and smaller companies still close to the paddock.

Figure F2.4 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 02 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for African private equity fund managers and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the markers are this note's reading as at November 2026.



SURVIVES
Almost every fund manager: companies have no other route

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Fund managers backing companies too small to syndicate, or adding governance and ownership

DOES NOT SURVIVE
Fund managers selling access to companies that have outgrown them: a slow loss

SURVIVES
Fund managers paid for governance, patient ownership, judgement where data is poor, and for holding concentrated illiquid risk

DOES NOT SURVIVE
Fund managers whose only offer is access to capital and assembling lenders for companies that can now do both

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F2.10 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FUND'S ROLE, WHO SURVIVES FORCE 02 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F2.4. The scarce functions in the open savannah row are those this force names in Scene 4. All three right-hand columns are this note's proposition.

Position	What happens to the fund's role	Survives	Does not survive
The paddock Fence holds	Investors reach companies only through funds; the fund's five functions cannot be bought elsewhere.	Almost every fund manager.	No one is forced out by this force alone.
The middle ground Fence has gaps	Large companies assemble their own syndicates and go direct; smaller companies still need a fund.	Fund managers backing companies too small to assemble their own syndicate, and those adding governance, board capability and patient ownership.	Fund managers whose value is access and syndication for companies that have outgrown them. They lose their largest and best companies first, slowly.
The open savannah No fence	The size threshold has descended: development finance and strategic investors write direct tickets at the sizes African funds were built for.	Fund managers paid for what remains scarce: governance and board capability, patient ownership through a downturn, sector judgement where public data is poor, network access a company cannot buy, willingness to hold concentrated illiquid risk, and underwriting businesses too small to syndicate.	Fund managers whose only offer is access to capital and assembling lenders, for companies that can now do both themselves.

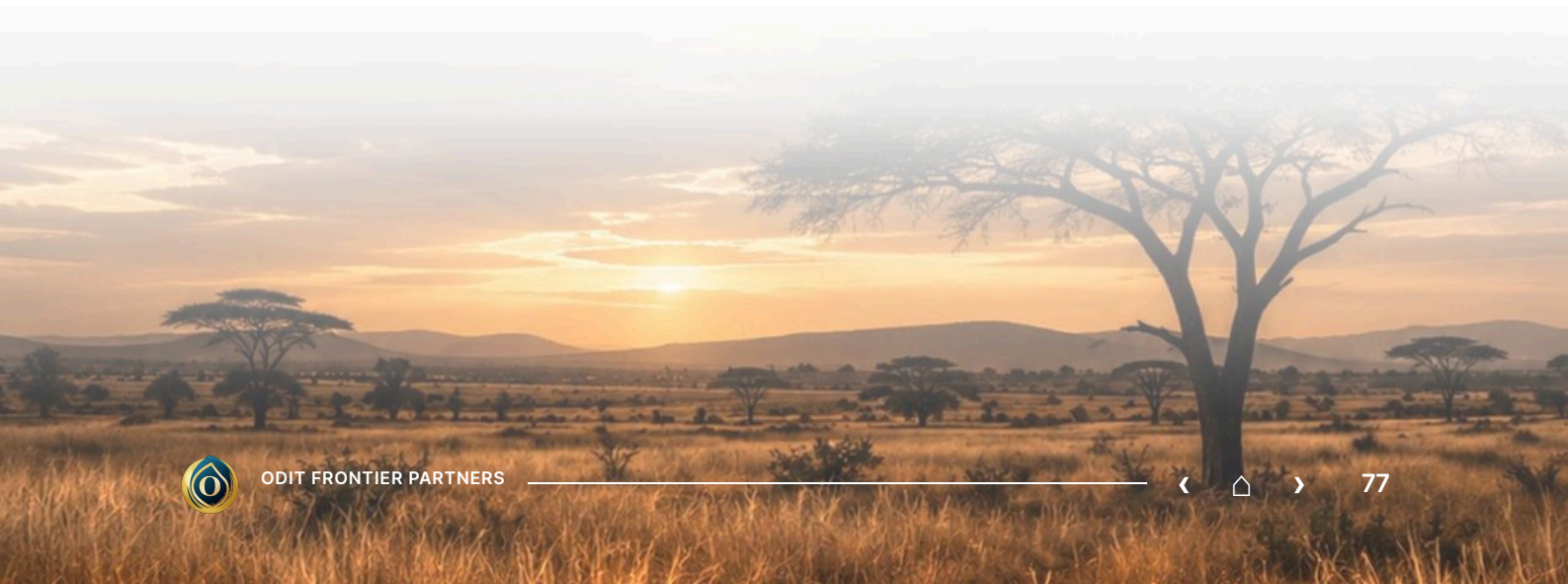
SOURCE Odit Frontier Partners.

6 What Force 02 leaves the African private equity fund

The fitness question Force 02 leaves is about necessity. What must still be bought through this fund manager, once the operating company can perform these functions for itself?

What would settle where the threshold lies is evidence this note could not yet find. It would take a published split of development finance commitments between funds, co-investment and direct tickets over several years, direct institutional equity in privately held African companies of the size Jumia represents, and the co-investment share of development finance in Africa over time. The register is the place this note will look for each.

In short, the company the fund was built to finance is learning to finance itself. Above a size threshold the fund is already bypassed; below it the fund is still the main route. Where that threshold settles, and how fast it is falling, decides how much of the African private equity fund's territory Force 02 takes.





FORCE 03 OF 09

HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the left horn of the formation, Figure 1.8

Proof-of-Concept Subsumption

Investors losing their willingness to keep committing to funds that cannot prove what they have delivered

Attacks Investor Willingness: investors' willingness to keep committing without evidence that the fund delivers

WHAT THIS COVERS

Evidence that the fund turns capital into what it promised: realised returns actually paid back to investors, not valuations or a count of exits; a published performance benchmark investors can compare against; and, for development investors, additionality, meaning outcomes that would not have happened without the fund.

> An intermediary that refuses indefinite subsidy downstream is asking for indefinite patience upstream, while publishing almost nothing about what it has returned.

1 What Force 03 is: investors asking the fund for the proof it asks of companies

Force 03, Proof-of-Concept Subsumption, is investors losing their willingness to keep committing to funds that demand commercial proof from their companies but cannot prove what they have delivered themselves. Capital moves along a chain with three links. An investor, which may be a pension fund, a development finance institution, a foundation or a family office, commits money to a fund. The fund invests that money in companies and holds them to a commercial standard: meet the numbers, professionalise the business, show a route to exit, and expect no indefinite subsidy. Proof is supposed to travel back up the chain, and that proof is what justifies the investor committing again to the next fund. It is a subsumption, the first of the three kinds of force in Table 2.2. Table F3.1 sets the force out in one line.

Table F3.1 FORCE 03 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow and in the two sub-forces.

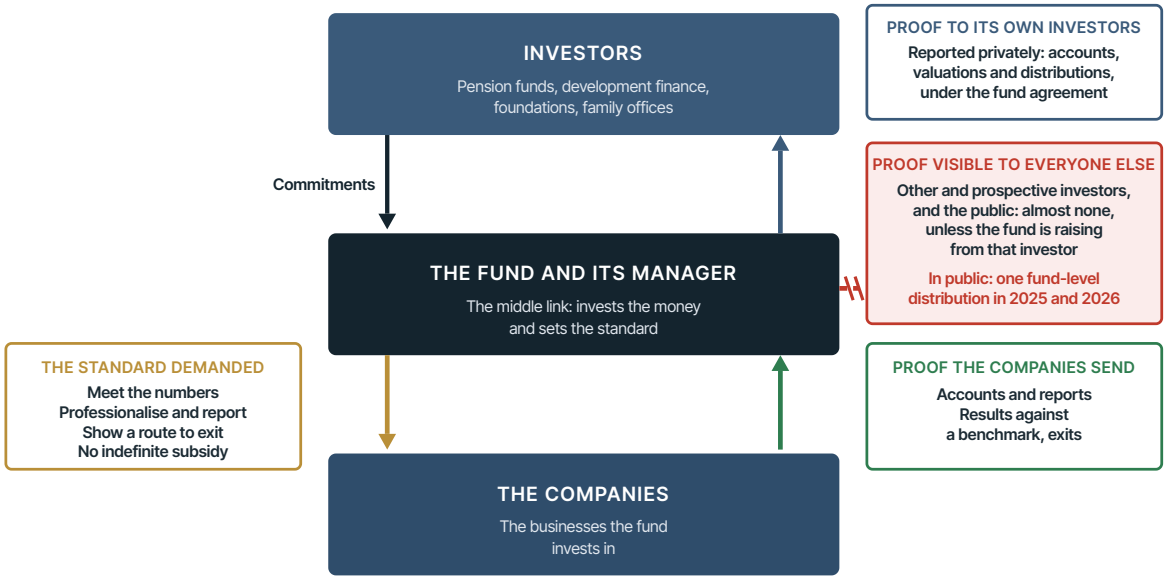
Element	Force 03, Proof-of-Concept Subsumption
Who or what attacks	Investors, development and commercial, asking the fund for proof before they commit again
What it takes over	The benefit of the doubt: the willingness to keep committing on activity, name and relationships rather than on proof
Where in the fund	Investors' commitment to the fund, and above all to the next fund
What the fund loses	Investors' willingness to commit without proof
Kind of force	Subsumption, in two sub-forces: 03A, proof of returns, and 03B, proof of commercial graduation

SOURCE Odit Frontier Partners.

The pressure appears when the middle link stops sending upward what it demands downward. The contradiction being tested is precise: an intermediary that refuses indefinite subsidy downstream is asking for indefinite patience upstream. Figure F3.1 sets out the Proof Chain: The Standard The Fund Demands Of Its Companies, Against The Proof It Sends To Its Investors.

Figure F3.1 THE PROOF CHAIN: THE STANDARD THE FUND DEMANDS OF ITS COMPANIES, AGAINST THE PROOF IT SENDS TO ITS INVESTORS

NOTE The three links of the chain described above. Proof does travel up to the fund's own investors, privately and under the fund agreement. The red break is the gap Force 03 attacks: almost none of that proof is visible to other or prospective investors, or to the public, except where a fund shares it with an investor it is raising from.



The standard flows down and is met; proof flows up privately to the fund's own investors, but almost none reaches anyone else.

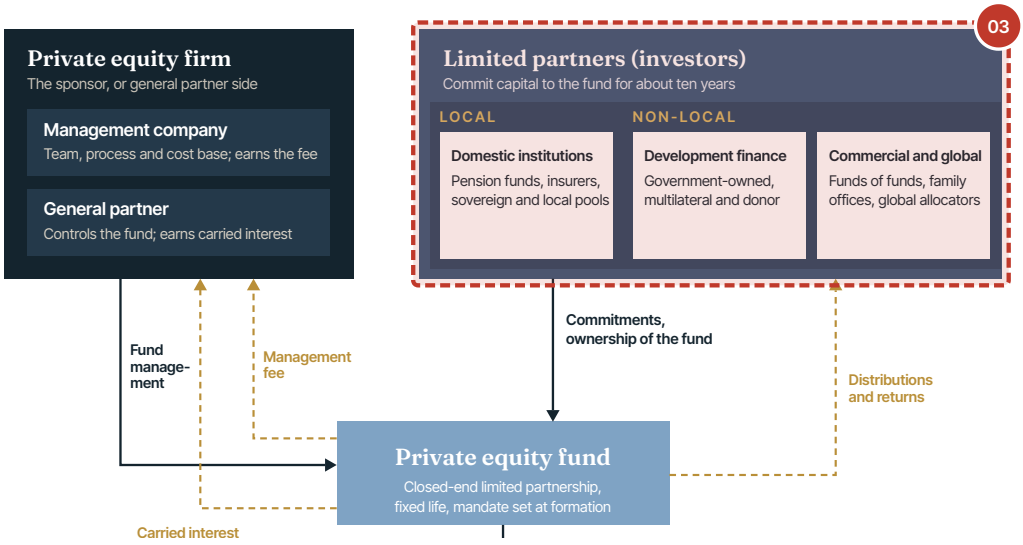
SOURCE Odit Frontier Partners. Distribution count: OFP LinkedIn Intelligence Register, read as at 14 November 2026, and Sub-force 03A.

Figure F3.1 draws the chain: the standard flows down from the fund to its companies and is met, while the proof that should flow up from the fund to its investors is mostly not published. In Species A the gap sits between the fund and the investors asked to commit to its next fund; in Species B it sits in every investor's decision to subscribe or stay. Figure F3.2 marks where.

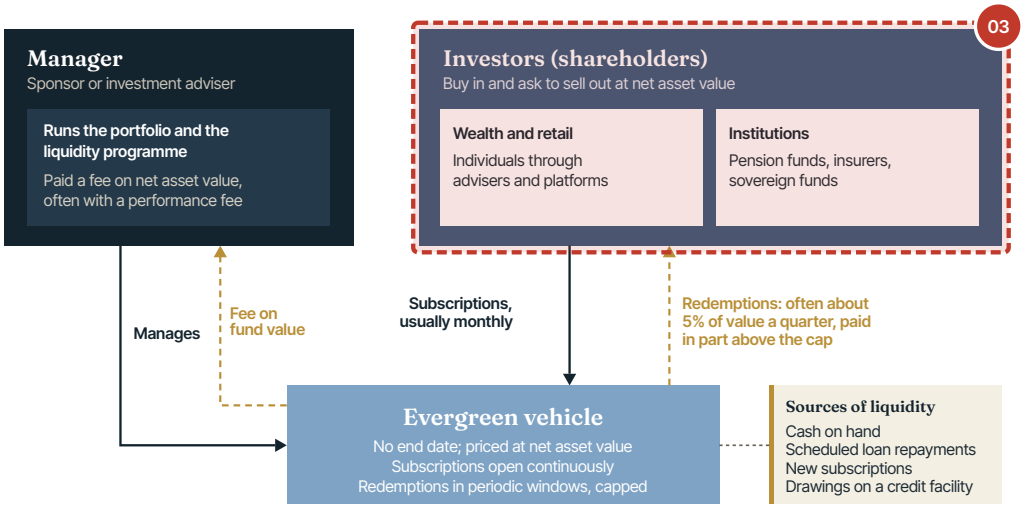
Figure F3.2 WHERE FORCE 03 ATTACKS: INVESTORS' COMMITMENT, IN SPECIES A AND SPECIES B

NOTE The two funds are drawn as in Figures 0.1 and 0.3, cropped to the part Force 03 reaches. Red marks what Force 03 attacks.

SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: FORCE 03 ATTACKS INVESTORS' COMMITMENT TO THE FUND AND TO ITS NEXT FUND



SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: INVESTORS' DECISION TO SUBSCRIBE AND STAY



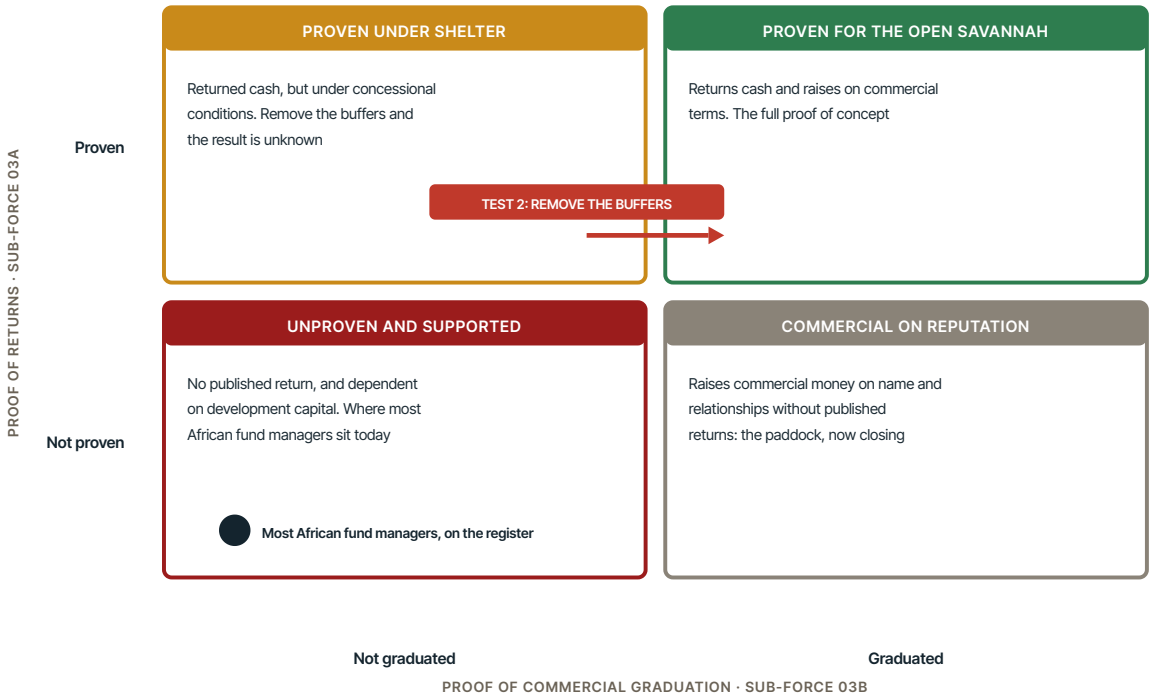
SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 and Table 0.2.

2 Two forms of proof, three tests, and two sub-forces

Proof comes in two separate forms, and passing one does not mean passing the other. The first is proof of returns: did the fund turn capital into cash returned to investors? It looks back at what one fund delivered. The second is proof of commercial graduation: can the fund manager raise and compete on commercial terms if development support is removed? It looks forward, at whether the model stands without help. A fund can return cash under concessional conditions and still not be fit for the open savannah; and a fund manager can raise commercial money on reputation without publishing any return. Figure F3.3 sets the two against each other.

Figure F3.3 THE TWO FORMS OF PROOF: PROOF OF RETURNS, AGAINST PROOF OF COMMERCIAL GRADUATION

NOTE The four positions are this note's classification. The marker places most African fund managers on the register's evidence in Sub-forces 03A and 03B: almost no published fund-level returns, and later-vintage funds that mostly still name development capital.



SOURCE Odit Frontier Partners.

Between the two forms sits a third test: would the return survive without the buffers that helped produce it? A return earned with first-loss capital beneath it, grants paying part of the costs, development anchors bringing in other investors, or terms below the market's is a real return, but it is not yet proof that the model works on commercial terms. Only a fund manager that passes all three tests has proven its concept for the open savannah. Table F3.2 sets the three tests out, with the evidence that would pass each and the evidence available today.

Table F3.2 THE PROOF-OF-CONCEPT FRAMEWORK: THREE TESTS, WHAT WOULD PASS EACH, AND THE EVIDENCE AVAILABLE TODAY

NOTE Test 1 is the bare minimum; only a fund manager that passes all three has proven its concept for the open savannah. Test 2 is this note's proposition, and the list of buffers is its classification.

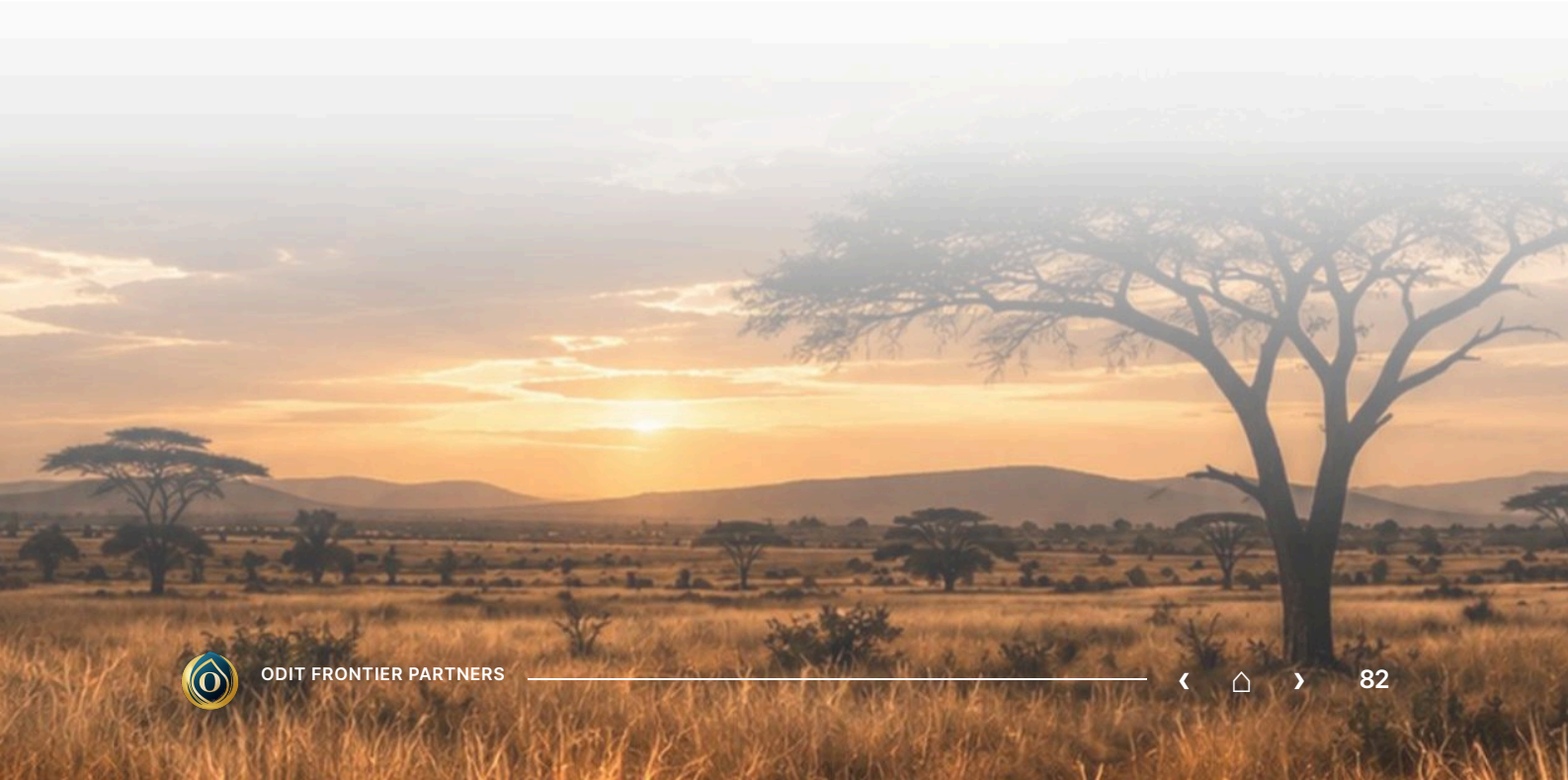
Test	The question	Evidence that would pass it	Evidence available today
1. Proof of returns Sub-force 03A	Did the fund return cash to its investors?	Rung 4 or above on the evidence ladder; ideally rung 6, net returns after fees	One African fund at rung 4 in 2025 and 2026; 0 of 47 exits at a fund-level figure
2. Proof without buffers Opens Sub-force 03B	Would the return hold without concessional support?	The return restated without each buffer: first-loss or guaranteed capital, grants that pay costs, development anchors, below-market terms	None: no African fund publishes its return net of its buffers
3. Proof of graduation Sub-force 03B	Can the fund manager raise on commercial terms?	Commercial and domestic private investors replacing development capital across successive funds	Not answerable: no source separates concessional from commercial shares; at most 2 of 9 later-vintage funds name only commercial investors

SOURCE Odit Frontier Partners. Evidence: Sub-forces 03A and 03B.

Force 03 is therefore set out as two sub-forces, each in the same shape as the other forces. Sub-force 03A, Proof of Returns, takes Test 1 and the evidence ladder. Sub-force 03B, Proof of Commercial Graduation, takes Tests 2 and 3 and the graduation ladder. They are lettered A and B because both are separate tests under an umbrella that has no content of its own; Force 08's sub-forces are lettered B and C because Force 08 itself carries the first.

IMPORTANT CAVEAT

Force 03 is a finding about disclosure, not about performance. The near-total absence of published distributions establishes that the market has not built the plumbing to report realised returns; it establishes nothing about what those returns are. Public evidence is also selected on survival: the funds that never reached a second vintage and the portfolios written down quietly are not visible. What is being demanded of fund managers is evidence, which is a different and in some ways harder thing than return.





SUB-FORCE 03A

OF FORCE 03 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the left horn of the formation, Figure 1.8

Proof of Returns

Investors asking the fund to prove that it turned their capital into cash returned to them

> **Attacks the Proof of Returns**: whether the fund can show the cash it returned to investors, net of fees

WHAT THIS COVERS

Cash actually returned to investors; distributions against the capital they paid in; net returns after fees and carried interest; and a benchmark to compare them with.

1 What Sub-force 03A is: proof that the fund returned cash

Sub-force 03A, Proof of Returns, is investors asking the fund to prove that it turned their capital into cash returned to them. It is Test 1 of the proof-of-concept framework in Table F3.2, the bare minimum. The fund asks its companies to meet the numbers and show a route to exit; investors can reasonably ask the fund for the same standard: what cash came back, against what was paid in, after fees. Table F3A.1 sets the sub-force out in one line.

Table F3A.1 SUB-FORCE 03A IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 03A, Proof of Returns
Who or what attacks	Investors deciding whether to commit to the next fund, asking what the last one returned
What it takes over	Exit counts and activity read as performance
Where in the fund	Distributions from the fund to its investors, and investors' commitment to the next fund
What the fund loses	The ability to raise on activity rather than on returns
Test	Test 1 of the proof-of-concept framework: proof of returns

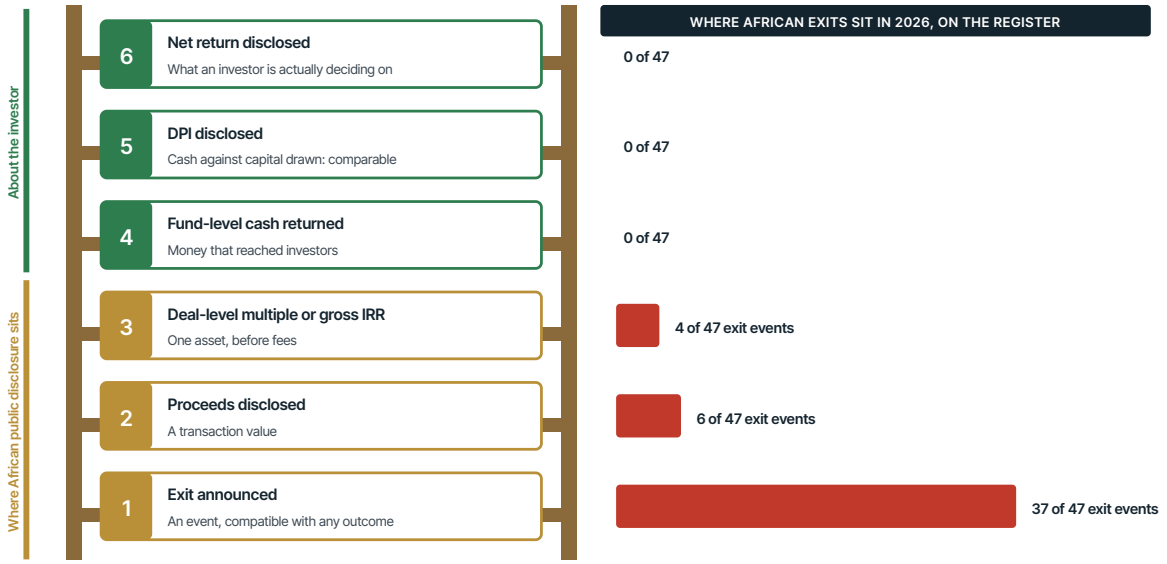
SOURCE Odit Frontier Partners.

2 What 03A attacks: the evidence ladder

Proof of returns is measured on a ladder of six rungs, from an exit announced to a net return disclosed. Rungs 1 to 3 describe an asset or an event; rungs 4 to 6 describe what investors received. Most disputes about African fund performance are really disputes about which rung a piece of evidence sits on, because the industry routinely publishes the bottom rung and lets it be read as the top. Figure F3A.1 draws the ladder and shows where the 47 African exit events recorded in 2026 sit on it, and Table F3A.2 defines each rung and lists the disclosures that qualify for it and those that do not.

Figure F3A.1 THE EVIDENCE LADDER, AND WHERE AFRICAN EXITS SAT ON IT IN 2026

NOTE The six rungs are defined in Table F3A.2. The bars count the 47 Africa exit events recorded to 14 November 2026, as in Table F3A.6. They count what was published; what a fund reports privately to its own investors is not visible and not counted.



One fund-level distribution reached rung 4 in 2026, as a separate record; no exit event did.

SOURCE Odit Frontier Partners. Exit counts: OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F3A.2 THE EVIDENCE LADDER: WHAT EACH RUNG ESTABLISHES, AND WHICH DISCLOSURES QUALIFY FOR IT

NOTE Rungs 1 to 3 describe an asset or an event; rungs 4 to 6 describe what investors received. A disclosure sits on the highest rung it fully meets. The examples are drawn from the register tables in Part 4. DPI: distributions to paid-in capital. IRR: internal rate of return.

Rung	What is published	What it actually establishes	Disclosures that qualify	Does not qualify
1	Exit announced	An event occurred. Compatible with any outcome for the investor, including a loss and including zero cash.	An announcement that a fund has exited, sold or listed a company, with no figures. Example: a fully exited Ghanaian bank listing, E07 in Table F3A.9	Any figure at all moves the disclosure to a higher rung
2	Proceeds disclosed	A transaction value. Says nothing about entry price, fund share, fees or timing.	The sale price, transaction value or offer size of the exit. Example: an offer of KES 15bn on a Nairobi listing, E01 in Table F3A.8	A valuation at a funding round, which is not proceeds; a value with no stake or entry price
3	Deal-level multiple or gross IRR	How one asset performed before fees and before the rest of the portfolio.	A multiple of invested capital or a gross internal rate of return on one investment or a set of investments. Example: Eos Capital's exit from The Mushara Collection at 4.4 times and 40%	A paper mark on an investment not yet sold; any figure for one asset read as the fund's return
4	Fund-level cash returned	Money that actually reached investors. The first rung about the investor rather than the asset.	An amount of cash distributed to the fund's investors. Example: Launch Africa Ventures, about US$2.5m distributed to its investors	Cash realised by the fund but not stated as paid out; growth in a portfolio company's revenue
5	DPI disclosed	That cash expressed against capital drawn. The first rung that supports comparison.	Distributions stated against the capital investors paid in, for the fund as a whole. Launch Africa Ventures' roughly 7% of paid-in capital moves toward this rung	Cash returned without the capital drawn; a ratio for one asset or for a whole institution
6	Net return disclosed	Net IRR or TVPI after fees and carry, with loss ratios and dispersion. What an investor is actually deciding on.	Net internal rate of return or total value to paid-in capital after fees and carried interest, for the fund, ideally with losses and dispersion. None found for an African fund in 2025 or 2026	A gross figure; a return without its fee basis, as with the Public Investment Corporation's 4.25%; an institution-level return such as SIFEM's

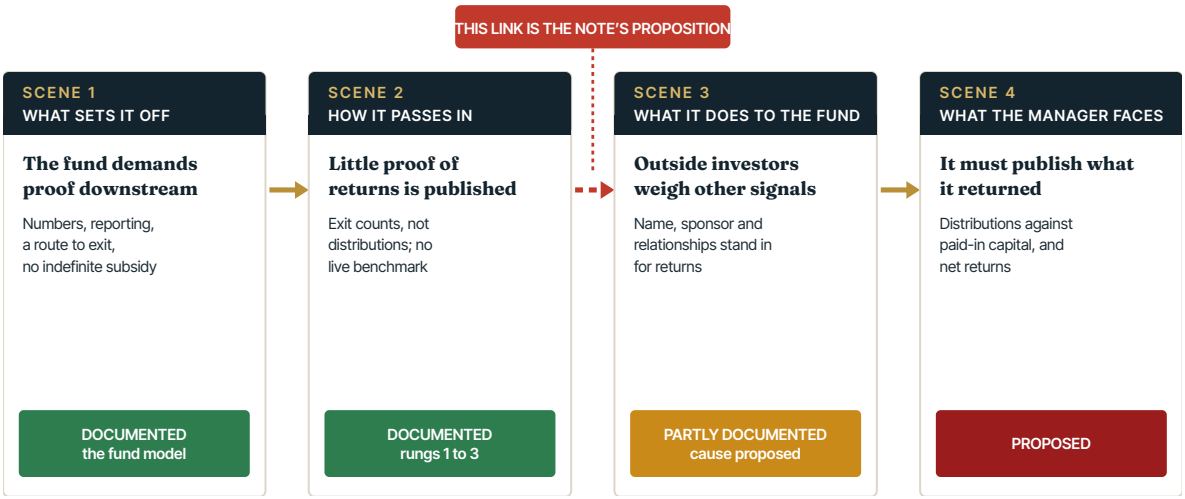
SOURCE Rungs and what each establishes: Odit Frontier Partners. Examples: OFP LinkedIn Intelligence Register, read as at 14 November 2026, and the sources in Part 4.

3 How the attack happens, scene by scene

Sub-force 03A reaches the fund in four scenes, and the step from the second to the third, investors withholding commitments because proof of returns is missing, is where the argument rests. Figure F3A.2 shows the chain: the fund demands proof from its companies, it sends little proof of returns up to its investors, investors decide on other signals, and the fund must publish what it returned. Each scene is explained below the figure, with the signs that show it is under way.

Figure F3A.2 HOW SUB-FORCE 03A REACHES THE AFRICAN PRIVATE EQUITY FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented. Red: this note's proposition. The evidence for each scene is set out in Part 4 and Table F3A.4.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: THE FUND DEMANDS PROOF FROM ITS COMPANIES

The fund holds its companies to a commercial standard and does not offer them indefinite subsidy. Table F3A.3 sets that standard against the one the fund asks its own investors to accept. The sign of this scene is the fund model working as designed downstream.

Table F3A.3 COLLISION MAP: THE STANDARD THE FUND APPLIES TO ITS COMPANIES, AGAINST THE STANDARD IT ASKS OF ITS INVESTORS

NOTE The left column is what the fund asks of the companies it invests in; the right is what it asks of the investors who fund it.

What the fund asks of its companies	What the fund asks of its investors
Meet the numbers, on a schedule	Keep committing while realised returns stay unpublished
Professionalise, report, be measured against a benchmark	Accept that Africa has had no live private-capital performance benchmark since around 2020
Show a route to exit	Accept an exit count in place of a distribution figure
No indefinite subsidy	Indefinite patience

SOURCE Odit Frontier Partners.

SCENE 2 · HOW IT PASSES IN: LITTLE PROOF OF RETURNS FLOWS UP

Almost all African private-capital reporting sits on the bottom three rungs of the ladder in Figure F3A.1. The sign of this scene is exits being counted and reported in a way that reads as performance.

SCENE 3 · WHAT IT DOES TO THE FUND: INVESTORS DECIDE ON OTHER SIGNALS

Without published returns, investors decide on a fund manager's name, sponsor and relationships, and the fund that cannot show returns depends on those signals holding. The sign of this scene is low distributions worldwide and investors declining to re-commit on performance, which Force 04 also records.

SCENE 4 · WHAT THE FUND MANAGER FACES: PUBLISHING WHAT IT RETURNED

The fund manager is left to publish distributions against paid-in capital and net returns, or to keep asking investors to commit without them. The sign of this scene would be more African funds reaching rungs 4 to 6. In 2025 and 2026 one did.

4 The evidence, scene by scene

Scenes 1 and 2 are documented, Scene 3 is documented as a pattern but not as a consequence of missing proof, and Scene 4 has one African specimen. Table F3A.4 sets out, for each scene, what would have to be true, the evidence for and against, and its status.

Table F3A.4 THE EVIDENCE FOR SUB-FORCE 03A, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument. Sources are given in the text below and in Tables F3A.5 to F3A.10.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. The fund demands proof downstream	Funds hold companies to a commercial standard	The fund model itself; the companies' disclosure is visible in their reporting and in listings such as Quickmart	None	DOCUMENTED
2. Little proof of returns flows up	Funds publish exit counts rather than distributions and net returns	**Africa:** of 47 exit events in 2026, 37 disclose nothing beyond the event, 6 a transaction value, 4 a deal-level return and none a fund-level figure. No live African benchmark since around 2020	A South African study of 226 realised venture exits reports 2.01 to 2.45 times capital-weighted returns: encouraging, but rung 3. Ethos Capital and the Public Investment Corporation disclose by obligation	DOCUMENTED
3. Investors decide on other signals	Commitments follow name and relationships where returns are missing	**Global:** distributions at 14% of net asset value in 2025, the weakest since 2008 and 2009; five-year rolling distributions about 10% of assets under management	African exits rose 27% in 2025; holding periods point both ways. Impact investors report more satisfaction with impact than with financial performance	PARTLY DOCUMENTED cause proposed
4. The fund manager must publish what it returned	More African funds reach rungs 4 to 6	**Africa:** Launch Africa Ventures distributed about US$2.5m, roughly 7% of paid-in capital	No other fund-level realised figure for an Africa-investing fund in 2025 or 2026	PROPOSED one specimen

SOURCE As cited in the text of this part and in Tables F3A.5 to F3A.10.

Almost all African private-capital reporting sits on rungs one to three. AVCA's flagship annual publication is called the African Private Capital *Activity* Report, and it reports fundraising, deployment, deal counts and exit counts. Briter's August 2026 Africa Venture Pulse reports US$3.3bn raised in the first half of 2026, up 73%, with no return metric. A development finance institution's public page for an African fund commitment gives commitment size, countries, sectors, an impact score and portfolio companies, and no multiple, IRR or distribution. Exits are counted, and the count is reported in a way that reads as performance. The 47 exit events on the register in 2026 are compatible with any distribution outcome whatsoever.[40]

40 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

CREDIT WHERE IT IS DUE

One manager broke that pattern in 2026, and it should be named. In June 2026 **Launch Africa Ventures** publicly disclosed that its 2020-vintage seed fund had distributed approximately US$2.5m to limited partners, about 7% of paid-in capital, and set out the eleven exits behind it: five full and six partial, eight secondaries and three trade sales or management buyouts, a largest realised multiple of 5.0 times, and no position exited below cost.[41] Its managing partner put the principle plainly: venture capital is ultimately judged on realised returns, not paper gains. That is rung four, moving toward rung five, and on our search it is the only Africa-focused fund manager to have reached it publicly in 2025 or 2026.

Two further disclosures exist but arrive by obligation rather than by choice. Ethos Capital, a Johannesburg-listed permanent-capital vehicle, has reported realisations of about R1bn, equal to 47% of invested capital, with realised assets at 1.7 times cost; it publishes because it is listed and audited. And South Africa's **Public Investment Corporation** disclosed a 4.25% internal rate of return since 2006 on its unlisted Isibaya portfolio, roughly 1.12 times money over about twenty years, in a written parliamentary reply.

The following is a scoped finding rather than a universal negative. Across venture, growth, buyout, private credit, impact and fund-of-funds managers, and across the published disclosures of British International Investment, SIFEM, FMO, IFC, Norfund, Proparco, Swedfund and Finnfund, our search identified no other public fund-level realised-return figure for an Africa-investing fund in 2025 or 2026. Development finance institutions publish institution-level portfolio returns, SIFEM at a 5.3% internal rate of return and 121.2% total value to paid-in, British International Investment at a 3.8% seven-year weighted average, and no fund-level figures at all. The general partner holds the disclosure right and mostly does not exercise it; the limited partner holds the data and mostly may not.

The infrastructure that would settle this elsewhere does not reach Africa. CalPERS publishes fund-by-fund cash in, cash out, net internal rate of return and investment multiple for its private equity programme; no African fund appears on it, because the large United States public plans are not in them. Cambridge Associates' emerging-markets benchmark covers 789 funds with no Africa segment.[42] The AVCA and Cambridge Associates African performance benchmark has no edition since around 2020.

This is a finding about disclosure, not about performance. The near-total absence of published distributions establishes that the market has not built the plumbing to report realised returns. It establishes nothing about what those returns are. The second question currently has no public answer at all, and that is the point: an asset class seeking capital ultimately accumulated from the public is asking to be assessed on activity.

41 Africa Private Equity News, Launch Africa Ventures makes cash distribution to LPs, June 2026. OFP LinkedIn Intelligence Register.
42 Cambridge Associates, Emerging Markets PE and VC Benchmark Book, Q3 2025.

Where realised evidence does exist, note which rung it occupies. A July 2026 South African study covering 226 realised venture exits from 2009 to 2026 reports capital-weighted realised returns of 2.01 to 2.45 times; a case-study analysis of 18 of those exits in the same study reports a median gross internal rate of return of 54% at a median gross multiple of 3.5 times. Those are deal-level and gross of fees. They are genuinely encouraging and they are rung three; they do not tell a trustee what any fund returned net.

The register lets the ladder be applied to every African exit recorded in 2026, not to selected examples. Table F3A.5 counts the exit events at each rung. Tables F3A.6 to F3A.8 then list them: named where a disclosure reaches rung 3 or above, unnamed below it, because an exit announcement or a transaction value says nothing about what investors received. Table F3A.6 sets out named: Disclosures That Reach Rung 3 Or Above. Table F3A.7 sets out not Named: Rung 2, Transaction Value Disclosed (6). Table F3A.8 sets out not Named: Rung 1, Exit Announced And Nothing More (37).

Table F3A.5 THE EVIDENCE LADDER APPLIED TO THE REGISTER: AFRICAN EXIT EVENTS IN 2026, BY RUNG REACHED

NOTE Exit events recorded as Africa deals to 14 November 2026. Shares do not sum to 100% because of rounding. The single fund-level distribution in the register is a separate record, shown below.

Rung reached	Exit events	Share
1 Exit announced, nothing more	37	79%
2 Proceeds or transaction value disclosed	6	13%
3 Deal-level multiple or gross IRR	4	9%
4 to 6 Fund-level cash, DPI or net return	0	0%
Total Africa exit events in the register	47	100%

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F3A.6 NAMED: DISCLOSURES THAT REACH RUNG 3 OR ABOVE

NOTE Disclosures that name the manager and the fund. The rung is the step on the evidence ladder that each disclosure reaches.

Rung	Manager and fund	Asset or vehicle	Date	What was disclosed	Source
4	Launch Africa Ventures, Launch Africa Seed Fund I	Fund-level distribution	16 Jun 2026	About US$2.5m distributed to limited partners, roughly 7% of paid-in capital, after 11 exits; realised multiples up to 5x.	OFP LinkedIn Intelligence Register
3	Eos Capital, Allegrow Fund	The Mushara Collection, Namibia, lodges	Aug 2026	Full exit at 4.4x cash-on-cash and 40% IRR.	OFP LinkedIn Intelligence Register
3	Beltone Venture Capital	BirdNest, Egypt, property marketplace	Aug 2026	Partial exit at 3.5x invested capital and 80% IRR over two years.	OFP LinkedIn Intelligence Register
3	Khwarizmi Ventures	Bosta, Egypt, logistics	Aug 2026	Partial exit at about 3x net on its position.	OFP LinkedIn Intelligence Register

Rung	Manager and fund	Asset or vehicle	Date	What was disclosed	Source
3	Five35 Ventures	Complete Farmer, agriculture	Sept 2026	Exit at 3.5x and 38% IRR.	OFP LinkedIn Intelligence Register
4, by obligation	Ethos Capital, listed permanent-capital vehicle	Portfolio	As cited in Force 03	Realisations of about R1bn, 47% of invested capital, with realised assets at 1.7x cost. Published because it is listed and audited.	Force 03 sources
3 or above, by obligation	Public Investment Corporation, Isibaya unlisted portfolio	Portfolio	As cited in Force 03	4.25% IRR since 2006, roughly 1.12x money over about twenty years, given in a written parliamentary reply. Fee basis not stated.	Force 03 sources

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026. Ethos Capital and Public Investment Corporation figures as given in Force 03.

Table F3A.7 NOT NAMED: RUNG 2, TRANSACTION VALUE DISCLOSED (6)

NOTE Exits whose transaction value was disclosed, listed without naming the parties. Each is referenced to the register.

Ref.	Country	Sector	Exit route	Date	Value disclosed
E01	Kenya	Retail	Listing, partial exit	Nov 2026	Offer of KES 15bn
E02	Not stated	Digital lending infrastructure	Secondary purchase from eight early shareholders	Oct 2026	US$5m
E03	South Africa	Asset management and retirement services	Sale by a strategic shareholder	Sept 2026	About US$185m
E04	Not stated	Manager-level, several assets	Cumulative realisations	Feb to Mar 2026	Over US$1bn
E05	West and Central Africa	Banking	Sale of a 20.17% stake to a strategic buyer	Jan 2026	Over US$200m
E06	Nigeria	Financial services	Exit of a preference share investment	Jan 2026	US$26m

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026. Ethos Capital and Public Investment Corporation figures as given in Force 03.

Table F3A.8 NOT NAMED: RUNG 1, EXIT ANNOUNCED AND NOTHING MORE (37)

NOTE Managers and assets are named only where a disclosure reaches rung 3 or above. An exit announcement or a transaction value says nothing about what investors received, and naming it here would give it a standing the ladder does not. Country and sector are as recorded in the OFP LinkedIn Intelligence Register to 14 November 2026; "Not stated" means the source did not give them.

Ref.	Country	Sector	Exit route	Date
E07	Ghana	Banking	Full exit through a stock exchange listing	Jan 2026

Ref.	Country	Sector	Exit route	Date
E09	Kenya	Agriculture	Strategic sale to a family office	Jan 2026
E10	Zambia	Poultry and eggs	Majority stake sold to a strategic buyer	Feb 2026
E11	Zambia	Financial services	Exit on acquisition by a listed group	Feb 2026
E12	South Africa	Residential property	Full exit	Feb 2026
E13	Not stated	Soft drinks	Sale to a foreign strategic buyer	Feb to Mar 2026
E14	Not stated	Pet care	Exit	Feb to Mar 2026
E15	South Africa	Solar energy	Exit of a controlling stake	Mar 2026
E16	Egypt	Not stated	Stake sold to a venture firm	Apr 2026
E17	South Africa	Residual fund portfolio	Continuation vehicle	Apr 2026
E18	Côte d'Ivoire	Power security equipment	Majority stake sold to another private equity firm	Apr 2026
E19	Not stated	Specialty insurance	Exit	May 2026
E20	South Africa	Not stated	Stake sale	May 2026
E21	Not stated	Tyre and wheel retail	Exit by two sponsors	Jun 2026
E22	Not stated	Pet care	Sale to a strategic buyer	Jun 2026
E23	Not stated	Logistics	Phased exit begun	Jun 2026
E24	Not stated	Not stated	Exit	Jun 2026
E25	South Africa	Data analytics	Sale to an advisory firm	Jun 2026
E26	Pan-African	Insurance brokerage	Majority stake sold to another private equity firm	Jul 2026
E27	Ghana	Not stated	Sale to two investors	Jul 2026
E28	Egypt	Solar power plants	Stake sale	Jul 2026
E29	Botswana	Insurance brokerage	Stake exit	Jul 2026
E30	South Africa	Biogas	Minority stake sold to an infrastructure manager	Jul 2026
E31	Morocco	Logistics	Stake sale	Aug 2026
E32	Egypt	Not stated	Exit by several investors	Aug 2026
E33	Egypt	Medical scanning laboratories	Acquisition by another investor	Aug 2026
E34	Ghana	Power	Stake sold back to the company	Aug 2026
E35	Senegal	Health technology	Sale to a foreign insurer	Sept 2026
E36	South Africa	Animal health pharmaceuticals	Exit	Sept 2026

Ref.	Country	Sector	Exit route	Date
E38	Nigeria	Gas distribution	Agreed sale to a local consortium	Oct 2026
E39	Not stated	Not stated	Exit as a strategic group took a majority stake	Oct 2026
E40	Not stated	Not stated	Sale to another private equity firm	Oct 2026
E41	Not stated	Not stated	Partial exit	Oct 2026
E42	South Africa	Small business rental finance	51% stake sold to a consortium	Nov 2026
E43	Not stated	Financial services	Partial exit	Nov 2025 or earlier

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026. Ethos Capital and Public Investment Corporation figures as given in Force 03.

Scene 3 is visible in how little capital is being returned worldwide, and the African evidence cuts both ways. The paragraphs below set out the global distribution figures, where the African evidence cuts the other way, and the contested evidence on impact returns.

Globally, distributions ran at 14% of net asset value in 2025, a fourth consecutive year below 15% and the weakest since 2008 and 2009, against 32,000 unsold companies worth US$3.8trn.[43] McKinsey puts five-year rolling distributions at roughly 10% of assets under management, the lowest it has recorded, and records funds below US$500m taking 13% of global capital, down from 17% five years earlier.[44]

Two things this argument would like to claim are not available. African exits are rising, not falling: AVCA counts exits up 27% in 2025 on the year before. And holding periods do not settle the matter either way: AVCA's average to the third quarter of 2025 was about seven tenths of a year shorter than across 2023 and 2024, but its full-year 2025 average, 6.7 years, was longer.[45] A note claiming durations were still extending would be contradicted by its own source.

One further caution applies to everything above. Public evidence in this market is selected on survival. The funds that raised again, the companies that raised at scale and the exits that completed are visible; the funds that never reached a second vintage, the portfolios written down quietly and the assets still unrealised at year twelve are not. Any inference drawn from public African fund evidence is drawn from a sample biased toward surviving institutions and completed events.

On impact returns the literature is contested and both sides belong at the strength their authors state them. Barber, Morse and Yasuda find impact funds earn 4.7 percentage points lower internal rates of return than conventional venture funds.[46] Jeffers, Lyu and Posenau find impact funds carry a lower market beta than comparable private-market strategies and that, once beta is accounted for, impact funds underperform the public market "though not necessarily more so than comparable strategies"; their estimated gaps against private benchmarks, roughly 15 cents per dollar against venture and 5 cents against matched funds, are not statistically distinguishable from zero.[47] That is a failure to reject a difference, not a finding of parity.

43 Bain, Global Private Equity Report 2026.
44 McKinsey, Global Private Markets Report 2026.
45 AVCA exit and holding-period series, 2025 annual and Q3 2025 editions, year-on-year changes only.
46 Barber, Morse and Yasuda, Impact Investing, Journal of Financial Economics.
47 Jeffers, Lyu and Posenau, The Risk and Return of Impact Investing Funds, Journal of Financial Economics.

respondents but to satisfactory impact performance by only 61%. And 62% identified impact-washing as the leading industry-level challenge, while 9% saw it as a problem at both industry and organisation level and 1% at their organisation only.[48]

The record adds the cases by scene. Table F3A.9 lists them, each marked as showing the sub-force at work, cutting against it or limiting it.

Table F3A.9 CASES FROM THE RECORD FOR SUB-FORCE 03A, BY SCENE: AT WORK, AGAINST AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
2 and 4	**At work:** Launch Africa Ventures makes its first cash distribution	16 Jun 2026	Launch Africa Seed Fund I distributed about US$2.5m to limited partners, roughly 7% of paid-in capital, after 11 completed exits; realised multiples up to 5x. Companies and terms were not disclosed.	The only fund-level distribution in the register, which confirms on an independent base the finding in this sub-force.	Africa Private Equity News.
2	**Against:** Four exits disclose a deal-level return	Aug to Sept 2026	Beltone Venture Capital, partial exit from BirdNest at 3.5x and 80% IRR. Eos Capital's Allegrow Fund, exit from The Mushara Collection at 4.4x and 40% IRR. Five35 Ventures, exit from Complete Farmer at 3.5x and 38% IRR. Khwarizmi Ventures, partial exit from Bosta at about 3x net on its position.	Encouraging, and rung three. None says what any fund returned.	African-Startups, TLDR Africa, Africa Private Equity News.
2	**Against:** Quickmart lists in Nairobi and Adenia partially exits	12 Nov 2026	An oversubscribed KES 15bn offer for sale, with applications of KES 18.4bn. Stores grew from 9 to 72 and revenue from US$37m to US$389m since Adenia invested in 2018. IFC committed about 12.9% of the offer as cornerstone; the UK MOBILIST programme took about US$15m.	A listing exit with the operating record published in full. The return to Adenia's fund is not published.	Adenia Partners and Deals and Advisory Report, via LinkedIn.
2	**Limits:** DPI sells its stake in Atlantic Business International	28 Jan 2026	DPI sold its 20.17% stake in ABI to Banque Centrale Populaire Group in a deal valued at over US$200m.	Rung two: the transaction value is public; entry price, fund share and fees are not.	AVCA member news.

SOURCE As listed in the Source column of the table.

5 Sliding the dial: who survives Sub-force 03A, and who does not

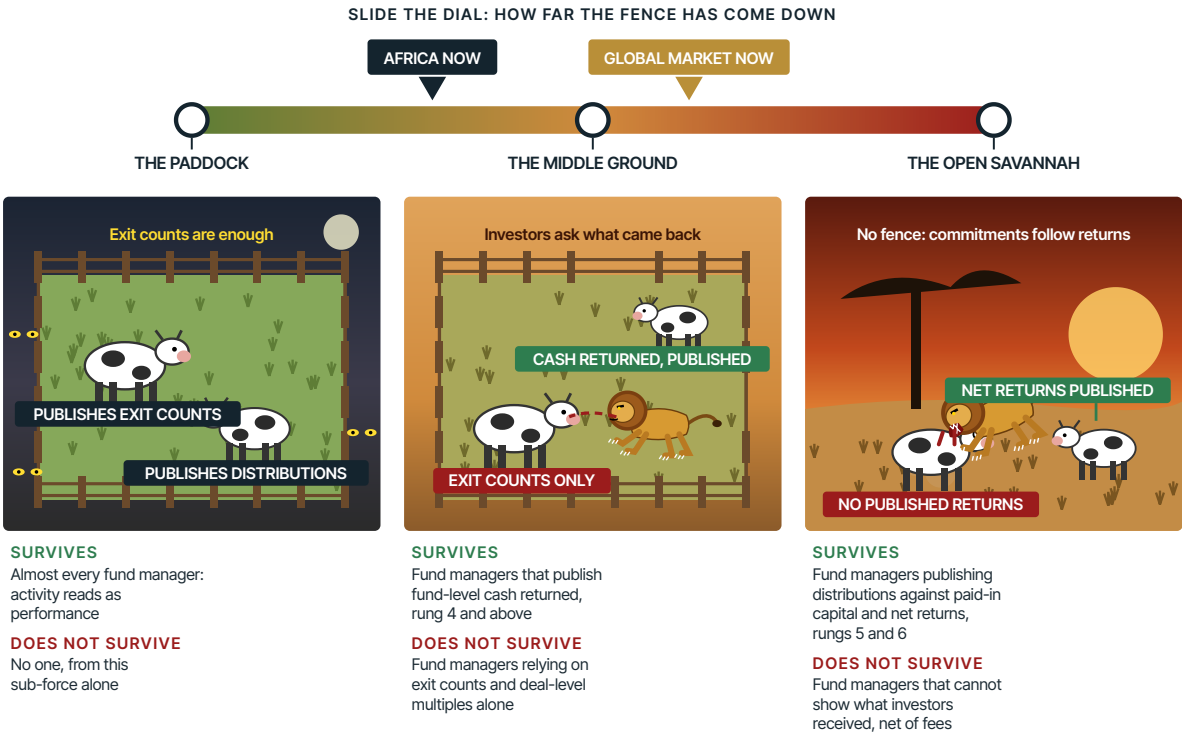
How much damage 03A does depends on whether investors still commit on activity, or have started to demand published returns. In the paddock investors commit on a fund manager's name, relationships and development backing, and exit counts are enough. In the middle ground investors ask for fund-level cash returned. On the open savannah commitments follow distributions against paid-in capital and net

48 GIIN, State of the Market 2025, pages 37 and 39.

returns that can be compared. Figure F3A.3 slides the dial and shows, for each position, who survives and who does not; Table F3A.10 gives the full wording. The markers show where this note reads the market now.

Figure F3A.3 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 03A AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for African private equity fund managers and the lions for the force. Who survives and who does not is this note's proposition; the markers are this note's reading as at November 2026.



SURVIVES
Almost every fund manager: activity reads as performance

DOES NOT SURVIVE
No one, from this sub-force alone

SURVIVES
Fund managers that publish fund-level cash returned, rung 4 and above

DOES NOT SURVIVE
Fund managers relying on exit counts and deal-level multiples alone

SURVIVES
Fund managers publishing distributions against paid-in capital and net returns, rungs 5 and 6

DOES NOT SURVIVE
Fund managers that cannot show what investors received, net of fees

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this sub-force.

Table F3A.10 SLIDING THE DIAL, IN FULL: WHO SURVIVES SUB-FORCE 03A AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F3A.3. All three right-hand columns are this note's proposition.

Position	What investors accept as proof	Survives	Does not survive
The paddock Fence holds	Exit counts and activity are read as performance.	Almost every fund manager.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	Investors ask what cash came back to them.	Fund managers that publish fund-level cash returned: rung 4 and above.	Fund managers relying on exit counts and deal-level multiples alone.
The open savannah No fence	Commitments follow distributions against paid-in capital and comparable net returns.	Fund managers publishing rungs 5 and 6: distributions against paid-in capital and net returns after fees.	Fund managers that cannot show what investors received, net of fees.

SOURCE Odit Frontier Partners.

6 What Sub-force 03A leaves the African private equity fund

The fitness question 03A leaves is about returns. What cash has this fund actually returned to its investors, against what they paid in, after fees?

What would move Scenes 3 and 4 from proposition to finding is disclosure the market has not yet built. It would take fund-level distributions and net returns published for African funds, and a revived African performance benchmark. The register is the place this note will look for each.

In short, in 2026 not one of 47 African exits reached a fund-level figure, and one fund published a distribution. Proof of returns is the bare minimum of the proof-of-concept framework, and the African fund has barely begun to publish it. Sub-force 03B asks the harder question that follows.





SUB-FORCE 03B

OF FORCE 03 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the left horn of the formation, Figure 1.8

Proof of Commercial Graduation

Investors asking the fund manager to prove that it can raise and compete on commercial terms once development support is removed

> **Attacks the Proof of Graduation**: whether the fund manager can stand on commercial terms without development buffers

> WHAT THIS COVERS
> Whether returns would hold without concessional support such as first-loss capital, grants that pay costs, development anchors and below-market terms; and whether commercial and domestic private investors replace development capital across successive funds.

1 What Sub-force 03B is: proof that the model stands without support

Sub-force 03B, Proof of Commercial Graduation, is investors asking whether the fund manager can raise and compete on commercial terms once development support is removed. It holds Tests 2 and 3 of the proof-of-concept framework in Table F3.2. A first-time fund manager may reasonably depend on development and concessional capital while it builds a record. By a third or fourth fund, the question is whether that capital was building a bridge to commercial sustainability, or whether the bridge became the destination. Table F3B.1 sets the sub-force out in one line.

Table F3B.1 SUB-FORCE 03B IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 03B, Proof of Commercial Graduation
Who or what attacks	Commercial investors, and development investors whose own budgets and mandates are tightening (Force 06)
What it takes over	The assumption that development capital is a bridge, and that the fund manager will cross it
Where in the fund	The mix of investors in each successive fund, and the buffers beneath the fund's returns
What the fund loses	The case that it can stand on commercial terms
Test	Tests 2 and 3 of the proof-of-concept framework: proof without buffers, and proof of graduation

SOURCE Odit Frontier Partners.

2 What 03B attacks: the buffers, and the graduation path

Test 2 asks whether the fund's return would survive without the buffers beneath it. Development capital may be entirely rational at the investor level, and its presence says nothing by itself about the commercial quality of the fund. But each buffer can shelter a return that would not hold on commercial terms. Table F3B.2 names the buffers, what each does, and where it sits in the two species.

Table F3B.2 WHAT 03B ATTACKS: THE BUFFERS BENEATH A RETURN, WHAT EACH DOES, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE The four buffers are this note's classification, and Test 2 is this note's proposition. No African fund was found publishing its return net of its buffers.

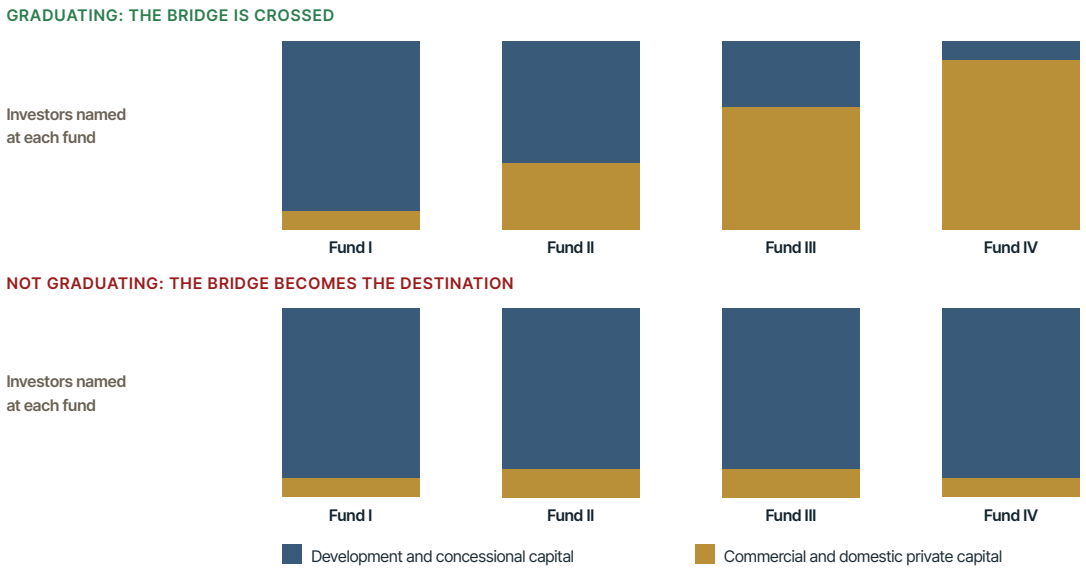
Buffer	What it is	In Species A	In Species B
First-loss or guaranteed capital	A layer of capital that absorbs losses before other investors, or a guarantee against them	Commercial investors' returns are protected by the layer beneath them	Less common in the evergreen structures described in this note
Grants that pay costs	Technical assistance or other grants that pay part of the fund manager's or companies' costs	Costs the fee would otherwise carry are met outside the fund	Not covered by the evidence in this note
Development anchors	A development finance commitment that brings other investors in	The anchor's presence carries the first close	A development investor in an evergreen vehicle, as with IFC in Zafiri
Below-market terms	Investors accepting a lower return or longer patience for development objectives	A lower return target is accepted, as in BII's 2.0% to 2.5%	Patient capital behind the vehicle

SOURCE Odit Frontier Partners. BII target: British International Investment, Strategy 2026 to 2031. Zafiri: OFP LinkedIn Intelligence Register.

Test 3 asks whether commercial and domestic private investors replace development capital across successive funds. A fund manager that is graduating shows the share of development capital falling from one fund to the next; one that is not shows it staying put. Figure F3B.1 draws the two paths. It is illustrative: no African data separates the shares, which is itself the finding in Part 4.

Figure F3B.1 THE GRADUATION PATH: DEVELOPMENT CAPITAL GIVING WAY TO COMMERCIAL CAPITAL ACROSS SUCCESSIVE FUNDS, OR NOT

NOTE Illustrative shares, not data. The bars show the kind of investor mix that would mark a fund manager crossing the bridge, and one for which the bridge has become the destination.



SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

Sub-force 03B reaches the fund in four scenes, and the step from the third to the fourth, whether the fund manager can stand once support shrinks, cannot yet be tested. Figure F3B.2 shows the chain: early funds are built on development capital, several vintages pass, the support shrinks, and the fund manager must raise on commercial terms. Each scene is explained below the figure, with the signs that show it is under way.

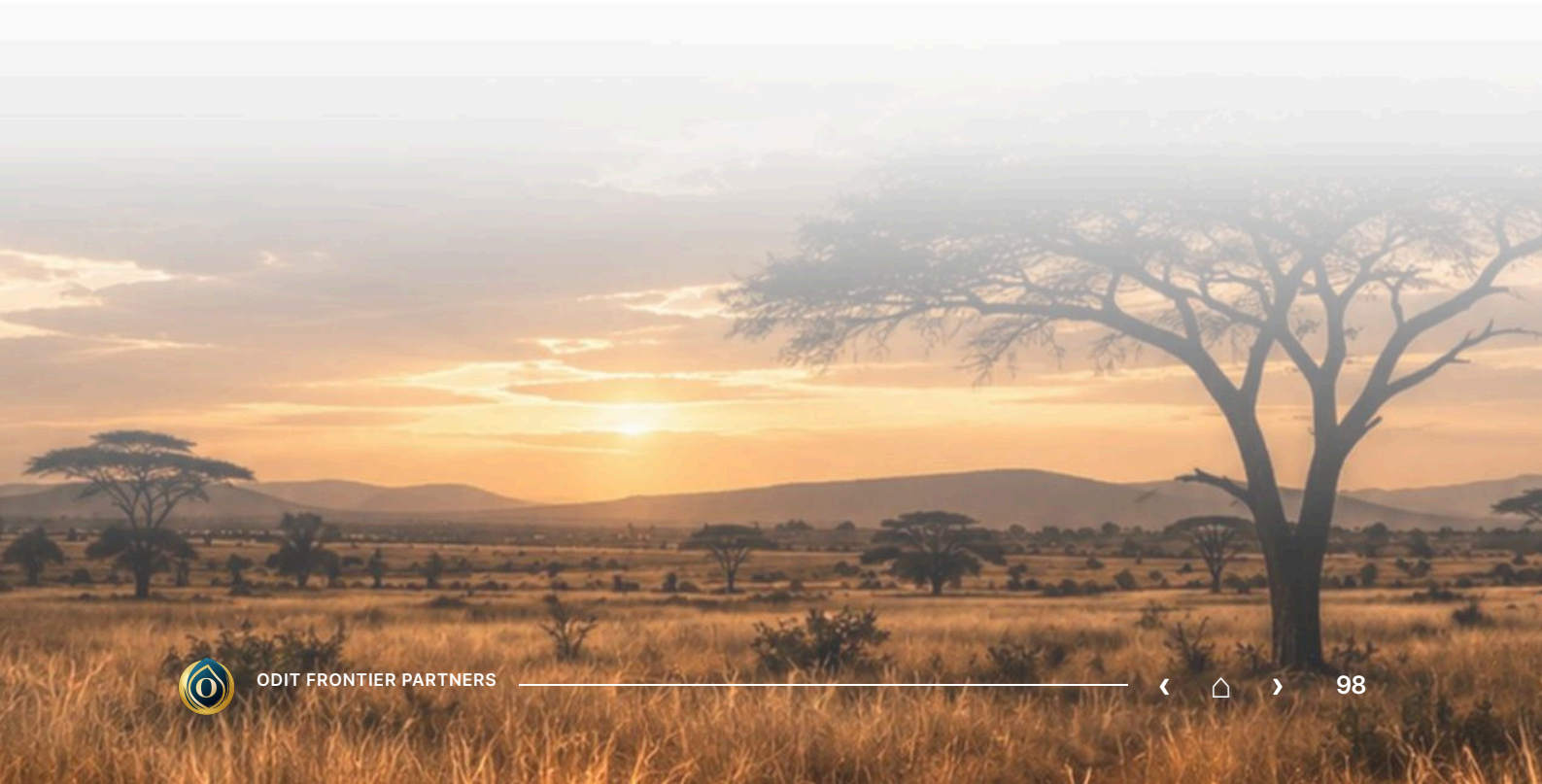
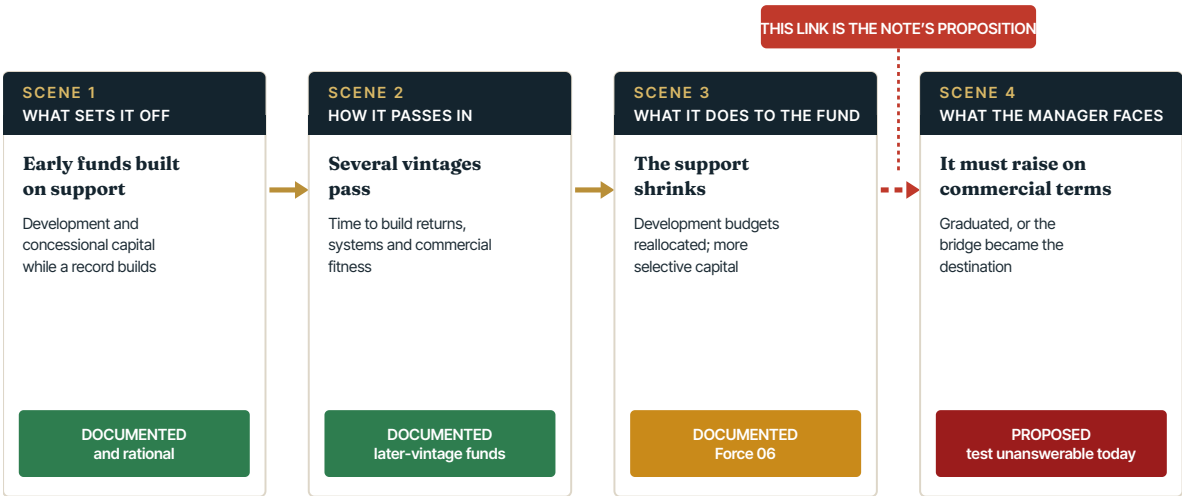


Figure F3B.2 HOW SUB-FORCE 03B REACHES THE AFRICAN PRIVATE EQUITY FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented, and set out in Force 06. Red: this note's proposition. The evidence for each scene is set out in Part 4 and Table F3B.3.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: EARLY FUNDS ARE BUILT ON SUPPORT

A first-time fund manager may reasonably depend heavily on concessional, catalytic or development-mandated investors while it builds a track record. The sign of this scene is sponsorship, not track record, deciding which first-time funds close.

SCENE 2 · HOW IT PASSES IN: SEVERAL VINTAGES PASS

By a third, fourth, fifth or sixth fund, the institution has had several cycles in which to accumulate realised returns, systems and evidence of commercial fitness. The sign of this scene is later-vintage funds naming their investors, which lets the graduation ladder be started on public records.

SCENE 3 · WHAT IT DOES TO THE FUND: THE SUPPORT SHRINKS

Where future capital is scarcer, more selective and more commercially demanding, an institution that has spent several cycles on supported capital faces a transition risk that was previously invisible. The sign of this scene is development budgets being reallocated and new tests attached to what remains, which Force 06 sets out.

SCENE 4 · WHAT THE FUND MANAGER FACES: RAISING ON COMMERCIAL TERMS

The fund manager is left to show that it can raise, compete and survive if development-mandated capital were materially reduced. The sign of this scene would be later-vintage funds naming mainly commercial and domestic private investors, and returns published net of their buffers.

4 The evidence, scene by scene

Scenes 1 to 3 are documented, and Scene 4, the graduation test itself, cannot yet be completed from public sources. Table F3B.3 sets out, for each scene, what would have to be true, the evidence for and against, and its status.

Table F3B.3 THE EVIDENCE FOR SUB-FORCE 03B, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument. Sources are given in the text below and in Tables F3B.4 to F3B.6.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Early funds built on support	First-time funds depend on development and sponsored capital	**Africa:** 45% of first-time and emerging managers failed to reach a first close; with a sponsor or platform 61% reached viable size, without one 20%	Development capital may be entirely rational; its presence says nothing by itself about commercial quality	DOCUMENTED
2. Several vintages pass	Later-vintage funds disclose who invests	**Africa:** fourteen third-or-later funds recorded in 2026, nine naming investors	Five disclose no investors and cannot be placed	DOCUMENTED
3. The support shrinks	Development capital becomes scarcer and more selective	Set out in Force 06: donor budgets reallocated, and mobilisation and additionality tests attached	Development finance institutions still commit to African funds, as Force 02 records	PARTLY DOCUMENTED
4. The fund manager must raise on commercial terms	Later-vintage funds name mainly commercial investors; returns hold without buffers	**Africa:** at most 2 of 9 later-vintage funds name only commercial or domestic private investors. Adenia's fifth fund named new commercial investors	Adenia's 40% of new commitments mixes development and commercial investors, so the shares cannot be separated. No fund publishes returns net of buffers	PROPOSED test unanswerable today

SOURCE As cited in the text of this part and in Tables F3B.4 to F3B.6.

The I&P and IETP study of African SME funds found that 45% of first-time and emerging managers failed to reach a first close. Sponsorship, not track record, is what moves the odds: managers backed by a platform or sponsor reached viable or target size 61% of the time against 20% without one, and managers targeting under US$5m succeeded 52% of the time against 17% for those targeting more.[49]

The graduation test itself is set out in the box below, with the reasons the public evidence cannot yet complete it. Tables F3B.4 and F3B.5 then make a first attempt on the register, at the level of which investors are named rather than what share each holds. Table F3B.4 sets out the Commercial Graduation Ladder: Third-Or-Later Africa Funds In 2026, By The Investors They Name. Table F3B.5 sets out each Fund On The Graduation Ladder, Coded.

THE COMMERCIAL GRADUATION TEST

The Commercial Graduation Test[50]

Development capital may be entirely rational at the investor level. Development finance institutions and other publicly mandated investors are expected to pursue additionality, inclusion, climate outcomes, employment, market formation and other forms of public good alongside financial sustainability. The presence of such capital therefore says nothing by itself about the commercial quality of the recipient, and the test below is not a test of the provider.

The harder question emerges after repeated fund cycles. A first-time manager may reasonably depend heavily on concessional, catalytic or development-mandated investors while building a track record, institutional systems, investment relationships and market confidence. By a third, fourth, fifth

49 I&P and IETP, How can African SME funds mobilise more capital, 28 January 2025, pages 9 and 41 to 43.
50 Adenia, fifth flagship fund close, 3 April 2024. Africa Private Equity News, Injaro Ghana Venture Capital Fund final close, December 2023. ImpactAlpha on domestically funded African vehicles, 11 March 2025. OFP LinkedIn Intelligence Register, read as at 14 November 2026.

or sixth fund, the institution has had several cycles in which to accumulate realised returns, distributions, repeatable origination, portfolio-construction discipline, governance capability and evidence of commercial fitness. The relevant test is therefore not whether development capital remains present. It is whether the institution has developed the ability to attract capital without depending structurally on it.

Consider the extreme version. If a fourth fund were financed entirely by concessional or development-mandated capital, could the fifth raise entirely commercial capital? If the answer is no, the next question is why. If it remains no through a fifth and a sixth, the issue is no longer only whether the surrounding market is underdeveloped. It becomes a question about whether the institution itself has commercially graduated.

What the public evidence can and cannot show

The direction of travel is visible in the later vintages. Adenia closed a fifth flagship fund at a US$470m hard cap in April 2024, against €230m for its fourth and €95.8m for its third, and the new investors it named included South Africa's Public Investment Corporation, Kenyan and Ghanaian pension funds, European family offices and a United States foundation. Smaller vehicles point the same way: a Ghanaian venture fund closed at GHS216m, around US$17m, in December 2023 funded by local pension funds.

The test cannot be run on that evidence, and the reason matters more than the examples. Adenia's release discloses that 60% of commitments came from historical investors and that the remaining 40% were new, but it states that the new 40% itself includes new development finance relationships alongside the commercial names. The concessional and commercial shares are not separated. So in the best-documented multi-vintage case available, a reader cannot compute what proportion of the fund is commercial, and therefore cannot establish whether the manager has graduated. No dataset tracking limited-partner composition by vintage for African managers was identified in the sources reviewed. ***The graduation question is legitimate and currently unanswerable from public sources, which is itself a finding about this market rather than about any manager in it.***

The test matters more as the upstream environment changes. Where future capital is scarcer, more selective and more commercially demanding, an institution that has spent several cycles operating on supported capital may face a transition risk that was previously invisible. The question is simple to state: could this institution raise, compete and survive if development-mandated capital were materially reduced? Where the answer is no after several vintages, repeated dependence becomes part of the fitness assessment rather than a fact about the market. The final question is not whether the development capital was justified. It is whether that capital was building a bridge to commercial sustainability, or whether the bridge gradually became the destination.

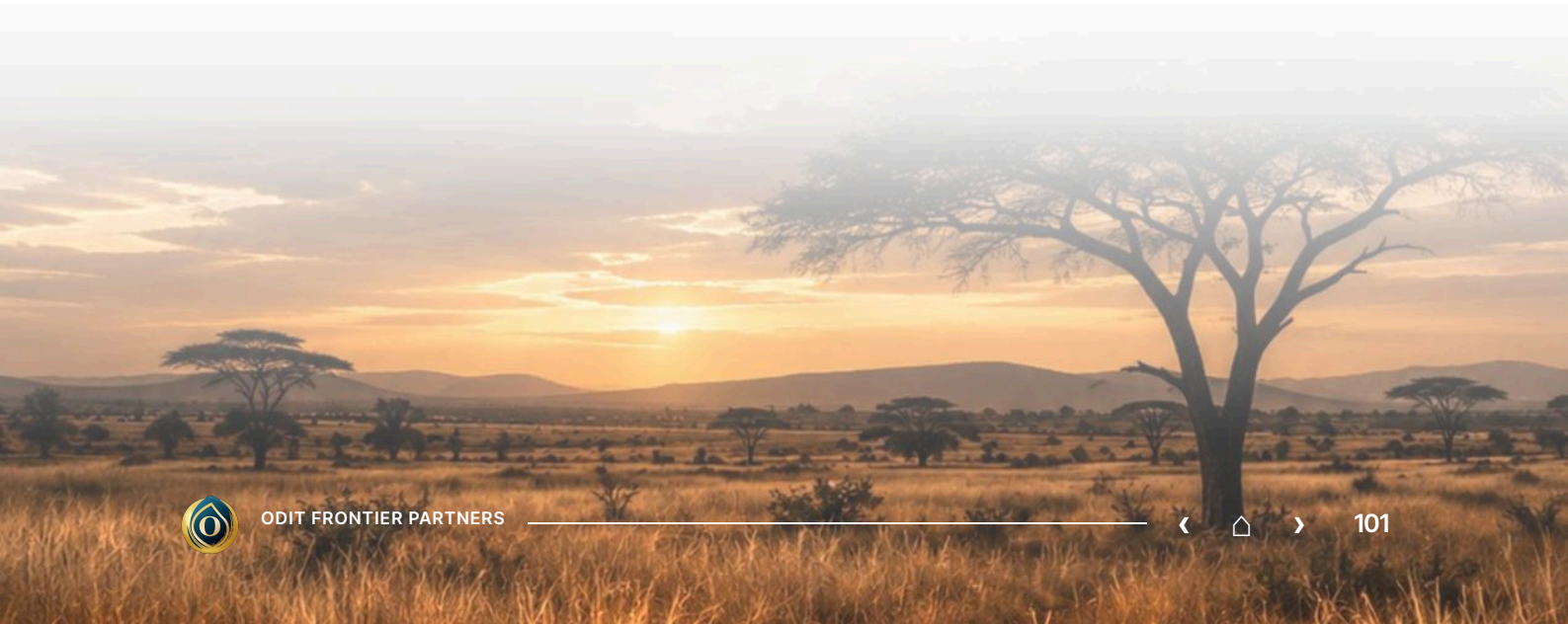


Table F3B.4 THE COMMERCIAL GRADUATION LADDER: THIRD-OR-LATER AFRICA FUNDS IN 2026, BY THE INVESTORS THEY NAME

NOTE Rungs run from most to least graduated, by the investors each fund names. The funds are an indicative sample, coded rather than named in Table F3B.5.



Rung	What the fund's disclosed investors show	Funds
4 Commercial and domestic private only	Only commercial investors or domestic private institutions are named	2
3 Domestic, including public money	Domestic investors are named, at least one of them carrying public money; no development finance institution named	0
2 Development finance proposed	A development finance institution is considering or exploring a commitment	3
1 Development finance committed	A development finance institution has committed	4
Not assessable	No investors disclosed, so the fund cannot be placed	5
All third-or-later funds in the sample		14

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F3B.5 EACH FUND ON THE GRADUATION LADDER, CODED

NOTE An indicative sample of Africa-focused funds on their third or later vintage recorded in the OFP LinkedIn Intelligence Register in 2026; funds of funds, government programmes and global funds are excluded. Funds are coded rather than named; codes are assigned in no particular order and carry no other identifying detail. The rung reflects only the investors each source names, so a fund at rung 4 may hold development finance capital that was not disclosed.

Code	Rung	What the disclosed investors show
G01	4 Commercial and domestic private only	Only commercial or domestic private investors named
G02	Not assessable	No investors disclosed
G03	2 Development finance proposed	A development finance institution considering or exploring a commitment
G04	Not assessable	No investors disclosed
G05	Not assessable	No investors disclosed

Code	Rung	What the disclosed investors show
G06	2 Development finance proposed	A development finance institution considering or exploring a commitment
G07	1 Development finance committed	A development finance institution committed
G08	Not assessable	No investors disclosed
G09	1 Development finance committed	A development finance institution committed
G10	2 Development finance proposed	A development finance institution considering or exploring a commitment
G11	Not assessable	No investors disclosed
G12	1 Development finance committed	A development finance institution committed
G13	1 Development finance committed	A development finance institution committed
G14	4 Commercial and domestic private only (partial disclosure)	Only commercial or domestic private investors named (other investors not stated)

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Some development investors accept a lower financial return by design, which is why Test 2 asks about evidence rather than return. British International Investment's investment policy for 2026 to 2031 sets a minimum portfolio return rising from 2.0% to 2.5%.[51] A return earned alongside such capital is real, but it is not yet proof that the model works on commercial terms.

The record adds the cases by scene. Table F3B.6 lists them.

Table F3B.6 CASES FROM THE RECORD FOR SUB-FORCE 03B, BY SCENE

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
2 and 4	**Against:** Third-or-later funds on the commercial graduation ladder	Feb to Nov 2026	Of fourteen third-or-later Africa funds recorded in 2026, nine name investors. Seven name development finance, four as committed and three as proposed; two name only commercial or domestic private investors, one of them on partial disclosure.	The graduation test can be started on public records, at the level of which investors are present rather than what share each holds. At most two of the nine pass it on the investors disclosed.	OFP LinkedIn Intelligence Register; funds coded G01 to G14 in Table F3B.5.
4	**Limits:** Quickmart's listing draws development-linked investors	12 Nov 2026	IFC committed about 12.9% of the KES 15bn offer as cornerstone and the UK MOBILIST programme took about US$15m.	Development-linked investors took about a quarter of the offer: even a successful listing exit relied in part on development capital.	Adenia Partners and Deals and Advisory Report, via LinkedIn.

SOURCE As listed in the Source column of the table.

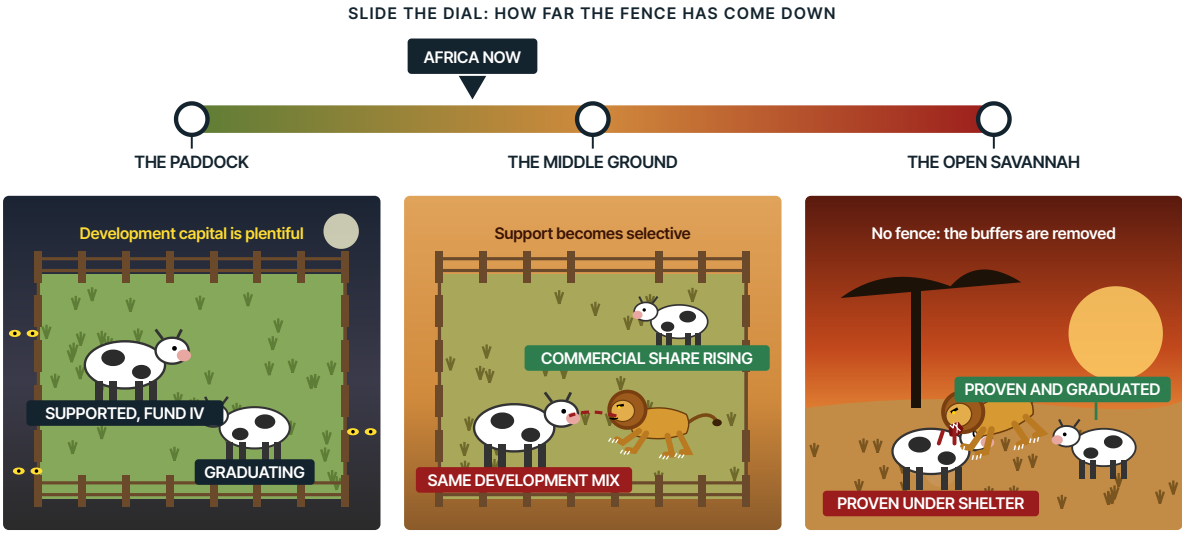
51 British International Investment, Investment Policy for the period from 1 April 2026, paragraph C1.3: a weighted cumulative investment return of at least 2% in 2026 to 2028, 2.25% in 2029 and 2.50% in 2030.

5 Sliding the dial: who survives Sub-force 03B, and who does not

How much damage 03B does depends on how far development support has been withdrawn. In the paddock development capital is plentiful and patient, and supported funds raise again. In the middle ground it becomes more selective and asks for mobilisation. On the open savannah the buffers are removed and fund managers raise on commercial terms. Figure F3B.3 slides the dial and shows, for each position, who survives and who does not; Table F3B.7 gives the full wording. The marker shows where this note reads the African market now.

Figure F3B.3 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 03B AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for African private equity fund managers and the lions for the force. Who survives and who does not is this note's proposition; the marker is this note's reading as at November 2026.



SURVIVES
Almost every fund manager: supported funds raise again

DOES NOT SURVIVE
No one, from this sub-force alone

SURVIVES
Fund managers whose later funds bring in commercial and domestic private investors

DOES NOT SURVIVE
Fund managers whose later funds still rest on development anchors

SURVIVES
Fund managers whose returns hold without buffers and who raise on commercial terms

DOES NOT SURVIVE
Fund managers proven only under shelter, or for whom the bridge became the destination

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5, Figure F3.3 and Parts 3 and 4 of this sub-force.

Table F3B.7 SLIDING THE DIAL, IN FULL: WHO SURVIVES SUB-FORCE 03B AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F3B.3. All three right-hand columns are this note's proposition.

Position	What happens to development support	Survives	Does not survive
The paddock Fence holds	Development capital is plentiful and patient.	Almost every fund manager; supported funds raise again.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	Development capital becomes selective and asks for mobilisation.	Fund managers whose later funds bring in commercial and domestic private investors.	Fund managers whose later funds still rest on development anchors.
The open savannah No fence	The buffers are removed; fund managers raise on commercial terms.	Fund managers whose returns hold without buffers and who raise on commercial terms: proven for the open savannah.	Fund managers proven only under shelter, and those for whom the bridge became the destination.

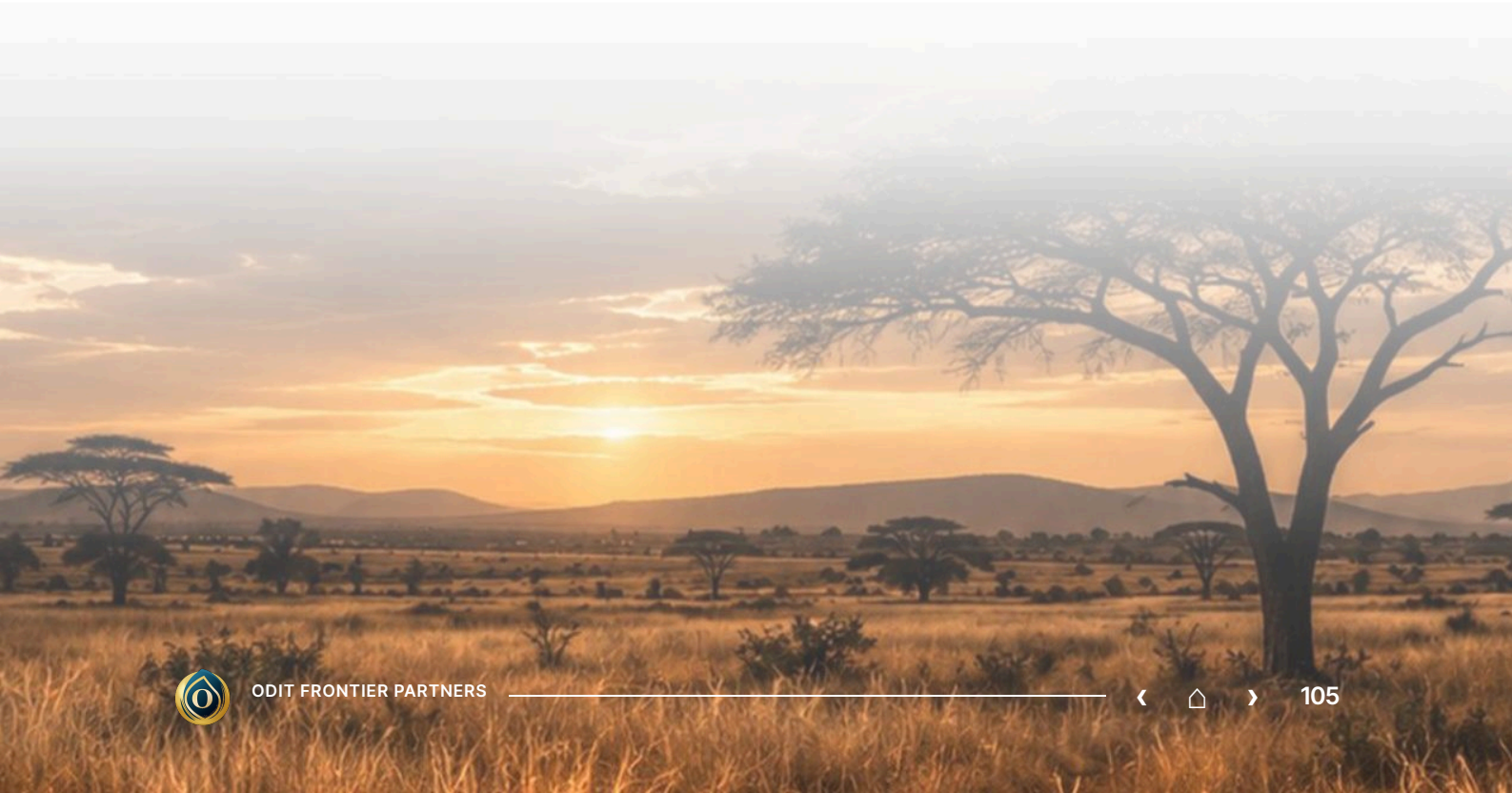
SOURCE Odit Frontier Partners.

6 What Force 03 leaves the African private equity fund

The fitness question Force 03 leaves is about proof, in all three of its tests. What has this fund manager actually demonstrated: that it returned cash, that the return would hold without its buffers, and that it can raise on commercial terms?

What would let the graduation test be completed is disclosure the market does not yet make. It would take the split between concessional and commercial capital at each vintage, and returns published net of the buffers beneath them. The register is the place this note will look for each.

In short, the African private equity fund asks its companies for proof and asks its investors for patience. Proof of returns is the bare minimum, and in 2026 one fund published it. Proof that the model stands without support is the harder test, and on public evidence it cannot yet be run. A fund manager that can pass all three tests will have an advantage the others cannot quickly copy.





FORCE 04 OF 09

HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the chest of the formation, Figure 1.8

AI-Native Entrant Subsumption

Firms built around AI from the start, which do not need the inherited form of the fund manager at all

Attacks the Operating Model: whether the fund manager's way of organising its work still needs to exist

WHAT THIS COVERS

How the fund manager organises its work: finding deals through relationship networks, screening one company at a time, running diligence document by document, monitoring on monthly and quarterly reporting cycles, and a team built around people doing each of these steps by hand.

> Incumbents add AI to a process built by hand. Entrants design the process around AI and add back only the humans that law and fiduciary duty require.

1 What Force 04 is: the firm built as a machine

Force 04, AI-Native Entrant Subsumption, is a new kind of fund manager that designs its whole operation around AI from the start, and so does not need the inherited form of the fund manager at all. Set two firms with the same mandate side by side. The incumbent begins with people and process: an investment team, a pipeline review, an investment committee that meets on a calendar, an approval chain, a reporting cycle, and habits formed when every step was performed by hand. It then adds AI to that. The entrant begins from the opposite end: it designs research, sourcing, diligence, portfolio intelligence and reporting around AI from inception, then adds back only the human roles that law and fiduciary duty require. Both may end up using much the same tools. Only one of them chose which steps exist. It is a subsumption, the first of the three kinds of force in Table 2.2. Table F4.1 sets the force out in one line.

Table F4.1 FORCE 04 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 04, AI-Native Entrant Subsumption
Who or what attacks	New fund managers built around AI from inception: a data layer, agents, an operating system, and a few people at the point of decision
What it takes over	The fund manager's operating model: its team shape, its process and committee rhythm, its approval chain, its cost base
Where in the fund	The private equity firm's organisation and workflow, in Species A, and the manager of Species B
What the fund loses	The case that its present form is needed to do the investment work at all
Kind of force	Subsumption: a function is absorbed by something else

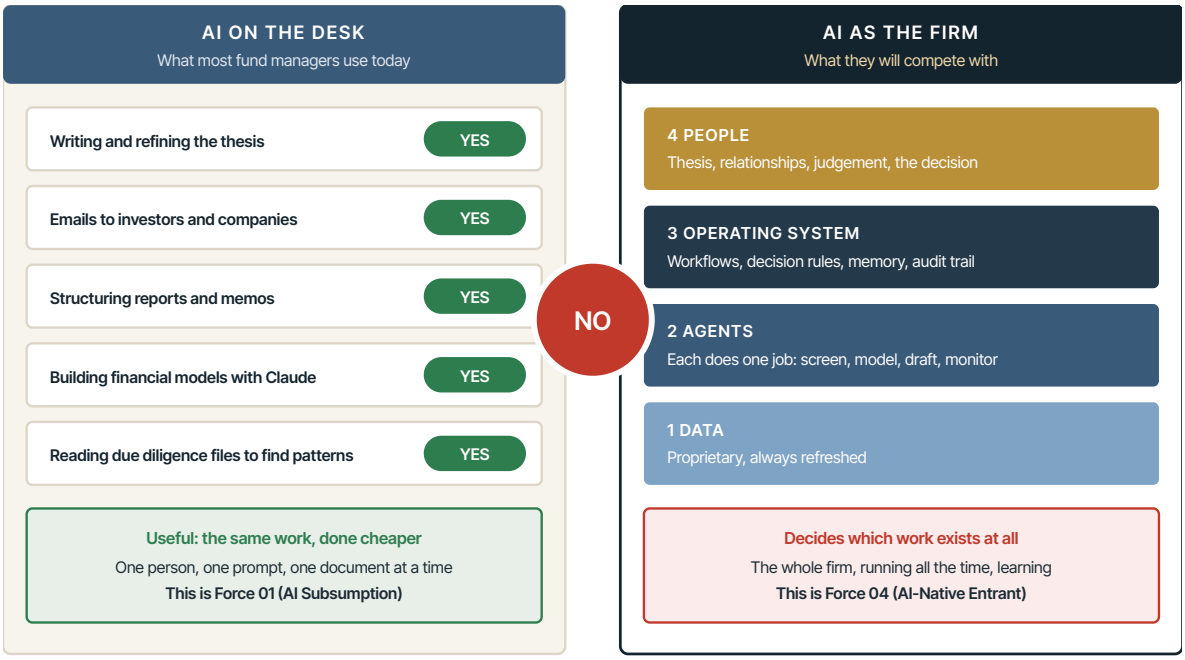
SOURCE Odit Frontier Partners.

Most fund managers already use AI, and that is not what Force 04 is about. Writing and refining a thesis, drafting emails to investors and companies, structuring reports, building financial models with Claude, and reading due diligence files with Claude or ChatGPT to find patterns are all useful. Each makes the same work cheaper, one person and one document at a time, which is Force 01. The competitor Force 04 describes is different: a firm in which data, agents and an operating system do the work continuously, and people decide. As one AI-native managing partner puts it, "AI-native doesn't mean we use ChatGPT to write emails." Figure F4.1 sets the two side by side, and Table F4.2 compares them.



Figure F4.1 THE AI MOST FUND MANAGERS USE, AGAINST THE AI THEY WILL COMPETE WITH

NOTE Left: AI used as an assistant on the desk, which this note treats under Force 01. Right: the four layers of a firm built as a machine, which is Force 04 and is set out in Figure F4.4. The tasks on the left are useful; the point is that they are not the competition.



Is AI on the desk the AI they will compete with? No: the competitor is the firm built as a machine.

SOURCE Odit Frontier Partners. Quotation: Brainworks Ventures, managing partner, as cited in Part 4.

Table F4.2 AI ON THE DESK AGAINST AI AS THE FIRM: WHAT EACH CHANGES, PRODUCES AND KEEPS

NOTE Read with Figure F4.1. The right-hand column describes the design; Part 4 sets out how much of it is documented.

	AI on the desk	AI as the firm
Who uses it	One person, on demand	The whole firm, all the time
What it changes	How fast a step is done	Which steps exist at all
What it produces	A faster document: a memo, a model, an email	A running operation: a ranked pipeline, a logged decision, a live report
Memory	None beyond the conversation	Every decision and its outcome kept and reused
Does it compound	No: the gain stays with the person	Yes: each vintage improves the machine
Team and cost base	Unchanged	Fewer people, engineers alongside investors, a much lower cost base
Which force	Force 01: the same work, cheaper	Force 04: a different operating model

SOURCE Odit Frontier Partners.

By machine-native design this note does not mean one autonomous model replacing a firm. It means a system: specialised agents, orchestrated workflows, automated decision rules, persistent research and monitoring, machine-generated first-pass analysis, human exception handling, and human fiduciary

judgement at the point of decision. Any advantage comes from the architecture of that system rather than from any component within it.

2 What Force 04 attacks, and where that sits in the two species

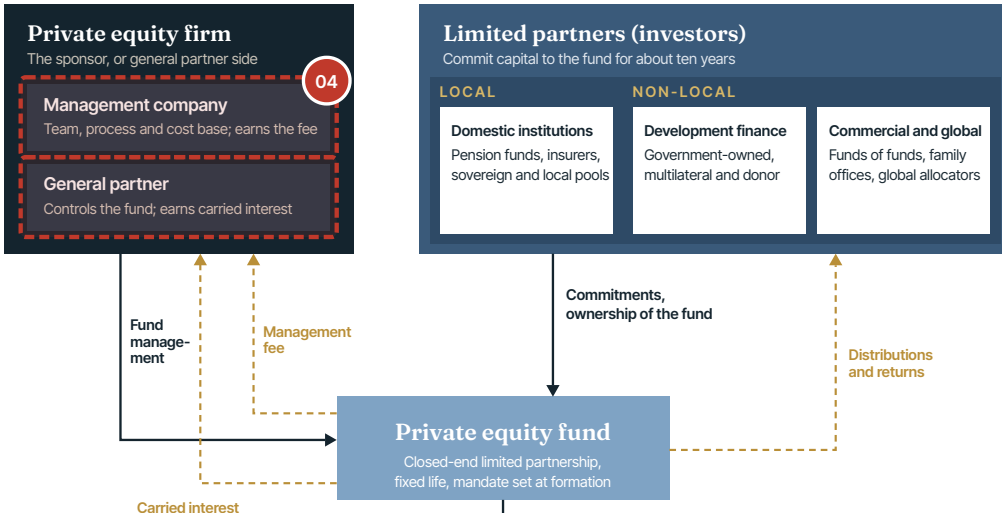
Force 04 attacks the operating model: whether the fund manager's way of organising its work still needs to exist. The operating model is the team shape, the process steps and committee rhythm, the approval chain, the reporting cycle and the cost base built around them. In Species A it sits in the private equity firm, the management company and the general partner; in Species B it sits in the manager that runs the portfolio. Figure F4.2 marks where, and Table F4.3 defines each part and places it in both species.



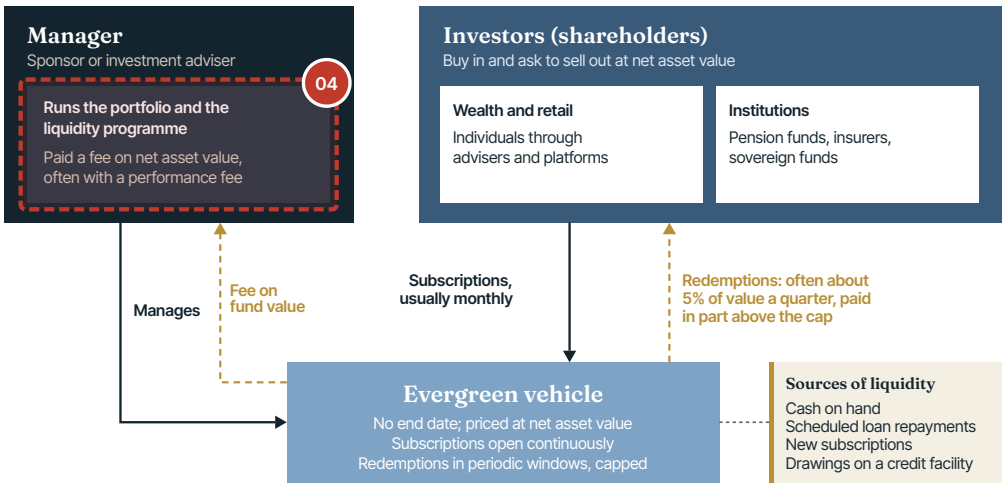
Figure F4.2 WHERE FORCE 04 ATTACKS: THE FUND MANAGER'S ORGANISATION AND WORKFLOW, IN SPECIES A AND SPECIES B

NOTE The two funds are drawn as in Figures 0.1 and 0.3, cropped to the part Force 04 reaches. Red marks what Force 04 attacks. Force 01 attacks the same boxes, but for their cost; Force 04 attacks them for their form.

SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: FORCE 04 ATTACKS THE PRIVATE EQUITY FIRM'S ORGANISATION AND WORKFLOW



SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: FORCE 04 ATTACKS THE MANAGER'S ORGANISATION AND WORKFLOW



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 and Table 0.2.

Table F4.3 WHAT FORCE 04 ATTACKS: EACH PART OF THE OPERATING MODEL, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F4.2.

Part of the operating model	What it is	Where in Species A	Where in Species B
Team shape	Who the firm employs and how they are layered	The management company's investment team	The manager's portfolio and credit team
Process and committee rhythm	The steps a deal passes through, and the calendar of meetings that approve it	Pipeline reviews and investment committee	Credit committee and portfolio reviews
Approval chain	Who signs off what, in what order	General partner and investment committee	Manager and its board
Reporting cycle	How often and how investors are told what happened	Quarterly reports to limited partners	Net asset value and reports to shareholders
Cost base	What the form costs to run	Paid from the management fee	Paid from the fee on fund value

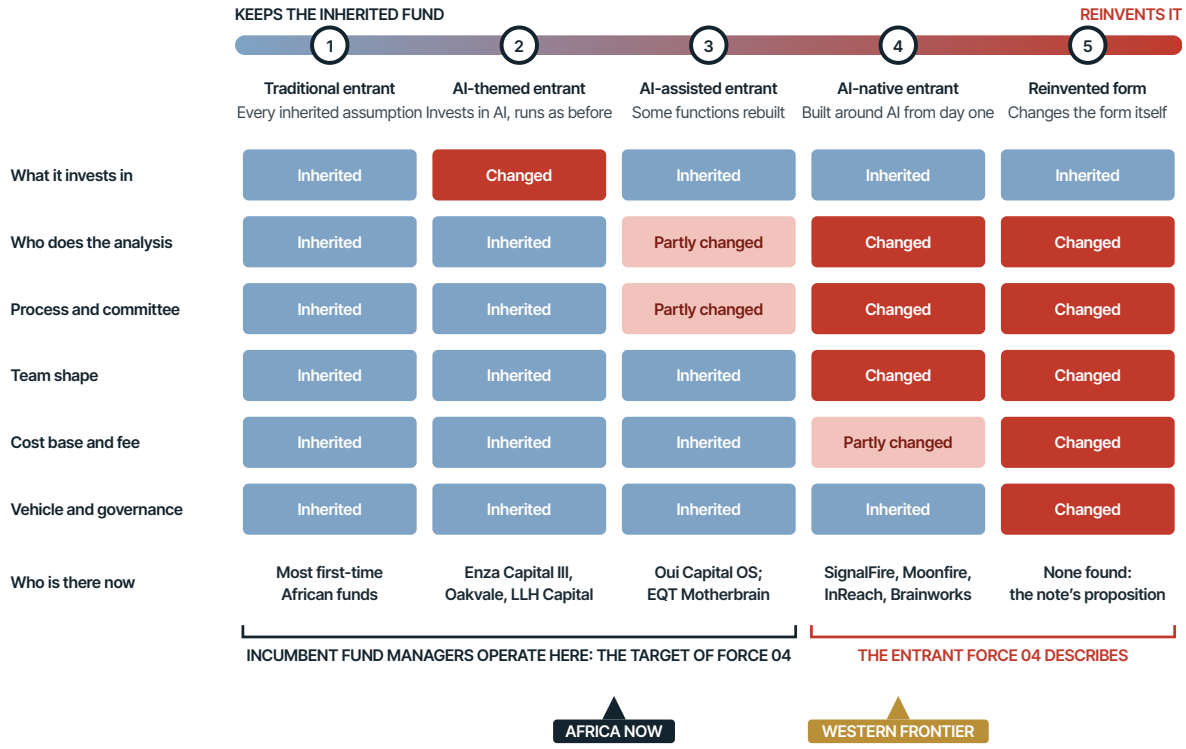
SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

New entrants sit on a spectrum, from those that copy the inherited fund to those that reinvent it, and only the far end is Force 04. A traditional entrant builds a new fund on every inherited assumption. An AI-themed entrant invests in AI but runs as before. An AI-assisted entrant rebuilds some functions around AI. An AI-native entrant designs the process around AI from day one. A reinvented form would change the team, fee logic and vehicle as well, and no specimen of it was found. Figure F4.3 shows which assumptions each position keeps and changes. Incumbent fund managers operate at positions 1 to 3, whatever their age, which is why they are the target; Africa now sits at positions 2 and 3.



Figure F4.3 THE SPECTRUM OF NEW ENTRANTS: FROM BUILDING ON THE INHERITED FUND TO REINVENTING IT

NOTE Positions 2 to 4 are the species in Table F4.8, read in sequence; position 5 is this note's proposition. Blueprint providers, which sell AI-native machinery but do not manage money, are not on the spectrum; Odit Frontier Partners, the publisher of this note, is one and is excluded. The markers are this note's reading as at November 2026.

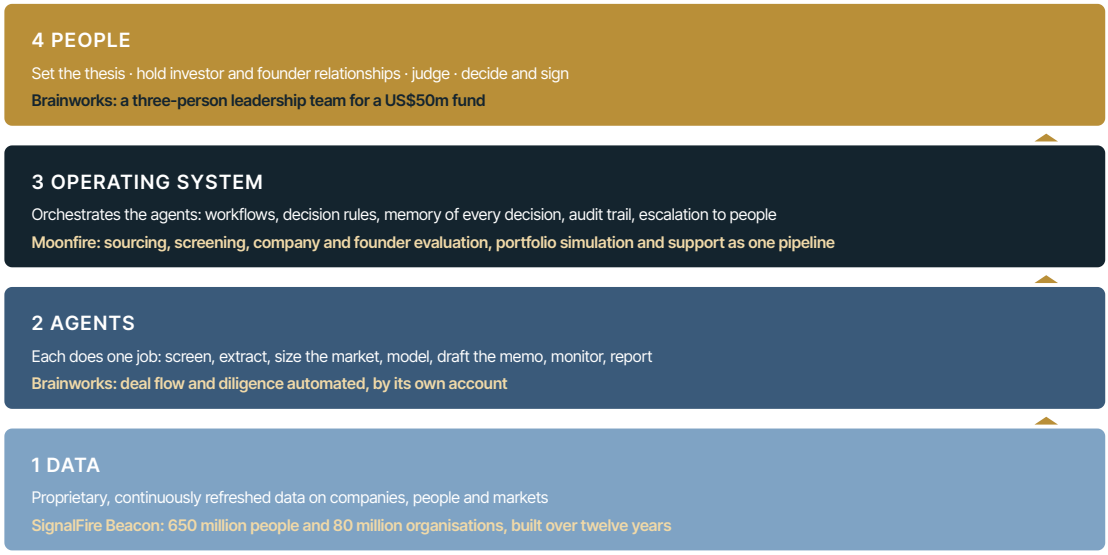


SOURCE Odit Frontier Partners, following Table F4.8.

The AI-native entrant runs its fund as an investment machine in four layers, with people at the top. At the bottom is proprietary, continuously refreshed data. Above it, agents each do one job. Above them, an operating system runs the agents, keeps the memory of every decision and escalates to people. At the top, people set the thesis, hold the relationships, judge and decide. Figure F4.4 draws the machine, and Table F4.4 sets out, for each stage of the fund cycle in Force 01, what is delegated to agents, what is built into the machine, what stays with people, and how much of it is documented.

Figure F4.4 THE INVESTMENT MACHINE: THE FOUR LAYERS OF AN AI-NATIVE FUND MANAGER

NOTE The examples in each layer are the firms' own accounts and are unaudited; they are cited in Part 4.



Data feeds the agents; the operating system runs them; people decide. Each decision and its outcome feeds back into the data.

SOURCE Odit Frontier Partners. Examples: Brainworks Ventures, Moonfire and SignalFire, as cited in Part 4.

Table F4.4 THE INVESTMENT MACHINE STAGE BY STAGE: WHAT IS DELEGATED TO AGENTS, BUILT INTO THE MACHINE, KEPT WITH PEOPLE, AND DOCUMENTED

NOTE The stages follow Figure F1.3. Design means the step is part of the machine as described by blueprint providers or this note, but no named fund manager documents running it. The evidence is set out in Part 4 and in Force 01.

Stage of the fund cycle	Delegated to agents	Built into the machine	Kept with people, in person	Evidence
Thesis	Testing the thesis against market data; mapping where companies cluster	A living thesis, with a record of why it changed	Setting the thesis	DESIGN not documented by a named fund manager
Fundraising and investor targeting	Mapping investors by mandate, ticket size, past commitments and re-ups; drafting materials and questionnaire answers	An investor database and pipeline, every interaction recorded	Every meeting with a prospective investor; the anchor relationship	DESIGN not documented by a named fund manager
Sourcing and screening	Scanning, triage and scoring of the whole market	Thesis-based grading; a ranked feed before any person looks	First call with the founder	DOCUMENTED Moonfire, SignalFire, InReach, Brainworks
Due diligence and decision	Market sizing, competitors, comparables, financial models, data-room review, first-draft committee memo	An audit-ready memo; every decision logged with its reasons	Founder assessment, judgement on risk, the decision and the fiduciary sign-off	DOCUMENTED Brainworks; the most AI-integrated function
Ownership and value creation	Continuous monitoring and data collection; exception alerts	Persistent monitoring with automatic escalation	Board work, guidance, introductions, hard conversations	CLAIMED not seen in production

Stage of the fund cycle	Delegated to agents	Built into the machine	Kept with people, in person	Evidence
Investor reporting	Drafting and updating reports from the data	Reports that update continuously rather than quarterly	Explaining bad news; re-up conversations	CLAIMED Brainworks; sold by blueprint providers
Exit	Valuation work, buyer mapping, answering buyers' questions	A data portal and diligence chatbot	Negotiation, structuring, price	ONE CASE outside Africa
Back office	Accounting, reconciliation, reporting packs	Automated administration	Accountability, controls, sign-off	BARELY STARTED about 3% use AI for reconciliation

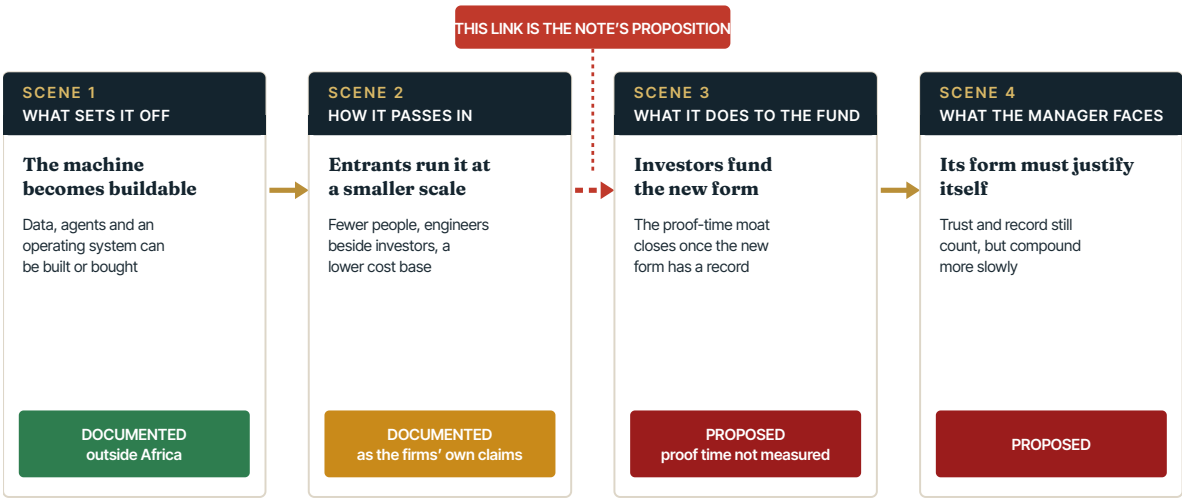
SOURCE Brainworks Ventures; Moonfire; SignalFire; InReach Ventures; S&P Global, February 2026; Allvue, 2026 GP Outlook Survey; the Blackstone sale process in Table F4.9. Stages and design: Odit Frontier Partners.

3 How the attack happens, scene by scene

Force 04 reaches the fund in four scenes, and the step from the second to the third, investors funding the new form, is where the argument rests. Figure F4.5 shows the chain: the machine becomes buildable, entrants run it at a far smaller scale, investors begin to fund the new form, and the incumbent must decide whether its form still needs to exist. Each scene is explained below the figure, with the signs that show it is under way.

Figure F4.5 HOW FORCE 04 REACHES THE AFRICAN PRIVATE EQUITY FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented. Red: this note's proposition. The evidence for each scene is set out in Part 4 and Table F4.7.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: THE MACHINE BECOMES BUILDABLE

The parts of the investment machine can now be built, or bought from blueprint providers who sell them function by function. Table F4.5 sets the incumbent's process against the AI-native design, step by step. The sign of this scene is firms publishing an account of their own operating architecture, not just their use of AI tools.

Table F4.5 COLLISION MAP: THE INCUMBENT'S PROCESS, AGAINST AI-NATIVE DESIGN

NOTE The left column is the conventional fund manager's process; the right is the same step designed around AI. The last two rows are the weakest, as Part 4 sets out.

Incumbent process	AI-native design
Origination through relationship networks and periodic pipeline review	Continuous machine discovery across company data, refreshed without a meeting
Screening one target at a time, as analyst capacity allows	Automated triage across the full set, ranked before a human looks
Diligence run sequentially, document by document, escalated by hand	Parallel machine analysis, inconsistencies flagged as information arrives
Monitoring on monthly and quarterly reporting cycles	Persistent monitoring with automated exception escalation
Red flags found when a person happens to look	Exceptions raised the moment the data moves

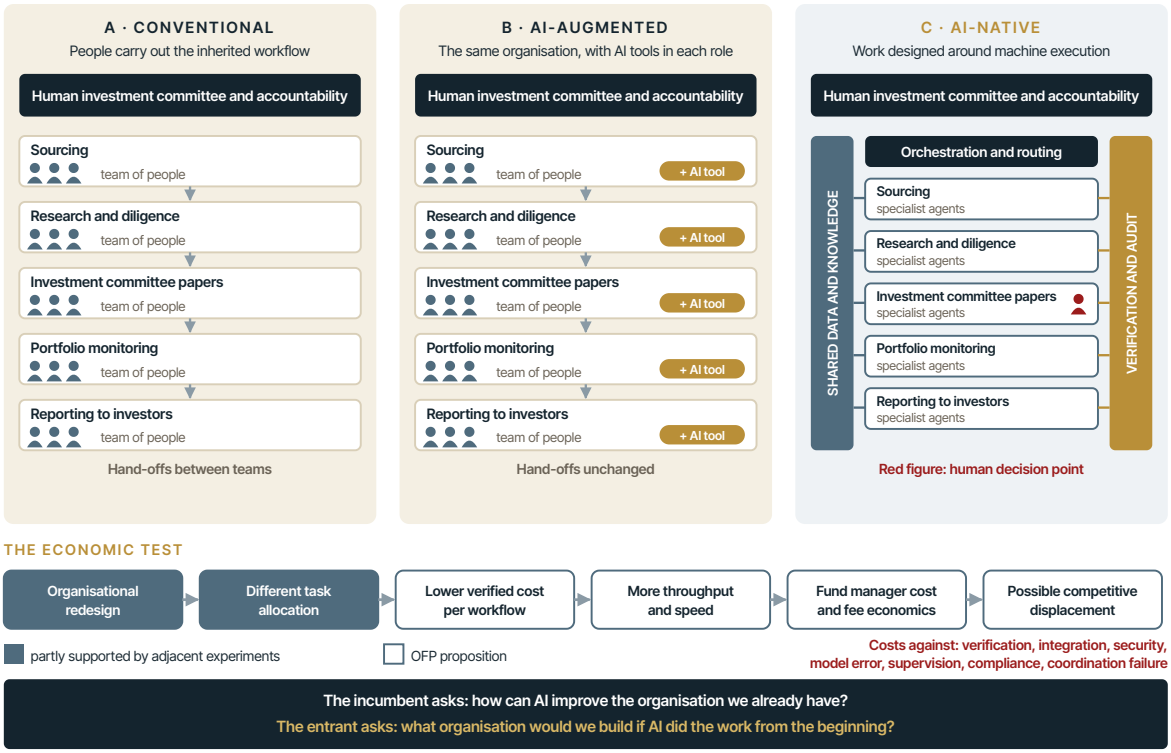
SOURCE Odit Frontier Partners.

The difference between an incumbent and an entrant is the organisation, not the tool. Augmentation changes how an existing role does its work. An AI-native organisation changes which roles, steps, coordination and controls are needed at all. Figure F4.4 drew the AI-native machine in layers; Figure F4.6 sets it beside the forms it competes with, on the same investment cycle and the same governance obligations. The three are this note's conceptual representations, not the organisation charts of any fund.



Figure F4.6 WHEN THE ORGANISATION ITSELF CHANGES: CONVENTIONAL, AI-AUGMENTED AND AI-NATIVE INVESTMENT FIRMS

NOTE Conceptual architecture, not observed staffing ratios, costs or performance. Human legal and fiduciary accountability stays with the fund manager in all three, subject to the rules of each jurisdiction.



SOURCE Odit Frontier Partners.

Experiments now show parts of that redesign working, and parts of it failing. In a randomised field experiment with 791 P&G professionals, one person working with AI matched the solutions of a two-person team without it.[52] Among 976 managers given general AI or a purpose-built agentic system for a strategy problem, AI raised confidence more than quality: experienced managers improved their theories, while highly educated ones grew overconfident, most of all with the agentic system.[53] In a natural field experiment covering about 70,000 job applicants, AI voice interviews were associated with a 12% higher chance of an offer, while human recruiters kept the decision.[54] Against that, teams of AI agents scored better on business goals than single agents across twelve simulated tasks but were less aligned with ethical objectives;[55] self-organising agent teams often did worse than their best member, by up to 41.1% on some machine-learning benchmarks;[56] and 23% of 1,261 surveyed HR and finance managers said AI agents appear on their organisation or workflow charts, with some overseeing less carefully when work was described as coming from an AI employee.[57] In TheAgentCompany benchmark of work in a simulated

52 F. Dell'Acqua and others, The Cybernetic Teammate: A Field Experiment on Generative AI and Teamwork, Organization Science, 2026, doi 10.1287/orsc.2025.20702.
53 A. Camuffo, A. Gambardella, S. Kazemi and A. Pandey, Beyond Black Boxes: Designing and Testing Agentic AI Systems for Strategy, Strategy Science, 2026, doi 10.1287/stsc.2025.0432.
54 B. Jabarian and L. Henkel, Voice AI in Firms: A Natural Field Experiment on Automated Job Interviews, CESifo Working Paper 12984, 14 September 2026.
55 J. H. Shen and others, AI Organizations Can Be More Effective but Less Aligned than Individual Agents, arXiv 2604.10290, 2026.
56 A. Pappu and others, Multi-Agent Teams Hold Experts Back, Proceedings of ICML 2026, PMLR volume 306.
57 E. Wiles, M. Hsu, J. Bedard and M. Kropp, Putting AI on the Org Chart: Evidence on Delegation and Accountability, working paper, 19 September 2026.

firm, the best agent tested completed 30% of tasks on its own.[58] Table F4.6 sets each study beside what it shows and what it does not.

Table F4.6 WHAT THE EXPERIMENTS ON AI AND ORGANISATION HAVE SHOWN, AND WHAT THEY HAVE NOT

NOTE Each finding holds only within its own study; the studies are not combined into one measure. None measures an AI-native private equity firm.

Study	What was compared	Measured finding	What it shows	What it does not show
Dell'Acqua and others, Organization Science, 2026	791 P&G professionals: individuals and two-person teams, with and without AI	One person with AI matched a two-person team without it on product innovation	AI can stand in for part of a collaborating team	That a whole organisation can be replaced
Camuffo and others, Strategy Science, 2026	976 managers: general AI against a purpose-built agentic system	Both raised confidence, not quality; experienced managers improved, highly educated ones grew overconfident, most with the agentic system	Who uses the system, and how it is designed, matter as much as the model	That agentic AI beats general AI
Jabarian and Henkel, CESifo, 2026	About 70,000 job applicants: AI voice interviews against human recruiters	12% higher probability of an offer; humans kept the hiring decision	A bounded function can move to AI while people keep the decision	That the hiring institution can be automated
Shen and others, 2026	Single agents against teams of specialist agents on 12 simulated tasks	Teams scored higher on business goals but were less aligned with ethical objectives	Coordination raises capability and organisational risk together	Anything about real companies
Pappu and others, ICML 2026	Self-organising agent teams against their strongest member	Teams often did worse, by up to 41.1% on some machine-learning benchmarks	More agents can add coordination cost	That agent teams cannot be designed well
Wiles and others, 2026	Survey of 1,261 HR and finance managers, and an oversight experiment	23% report AI agents on organisation or workflow charts; some oversaw less when work came from an AI employee	AI is entering formal roles; accountability cannot be handed to it	A share of all firms
Xu and others, TheAgentCompany, 2025	Agents on software, project, administration, HR and finance tasks in a simulated firm	Best agent tested completed 30% of tasks on its own	The gap between doing tasks and running an organisation	The ceiling for later models
Sheng and others, Review of Financial Studies, 2026	Hedge funds adopting generative AI against non-adopters	2 to 4 percentage points higher annualised abnormal returns	AI adoption can show in investment results	An AI-native organisation, or private equity
Chen, Sialm and Xu, NBER Working Paper 35273, 2026	AI-oriented hedge funds over time	Early outperformance faded, including among early adopters	Technological advantage may not last	Anything about private equity firms

SOURCE As listed in the Study column; full references in the footnotes to the text.

In investment management itself, the evidence concerns adopting AI, not reorganising around it. Hedge funds adopting generative AI earned 2 to 4 percentage points higher annualised abnormal returns than non-adopters in one observational study;[59] another found that the early outperformance of AI-oriented hedge funds faded over time.[60] Neither measures an AI-native private equity firm. No study identified shows that such a firm runs at lower total cost, invests better and governs as credibly as a comparable human-run firm, and no fully demonstrated African AI-native fund manager appears in the public evidence. That remains this note's proposition.

58 F. F. Xu and others, TheAgentCompany: Benchmarking LLM Agents on Consequential Real World Tasks, arXiv 2412.14161, revised 10 September 2025.

59 J. Sheng, Z. Sun, B. Yang and A. Zhang, Generative AI and Asset Management, Review of Financial Studies, 2026, doi 10.1093/rfs/hhag050; working paper version, August 2025.

60 S. Chen, C. Sialm and D. X. Xu, The Growth and Performance of Artificial Intelligence in Asset Management, NBER Working Paper 35273, May 2026.

The test is whether an AI-native organisation can deliver the same or better independently verified investment work at lower fully loaded cost, while meeting the same governance and investor requirements. Fewer people do not by themselves mean lower total cost, better decisions or stronger returns, and a fund manager's legal and fiduciary responsibilities cannot be delegated to agents. Verification, integration, security, model error, supervision, compliance and failures of coordination all carry costs. Force 01 sets out the price of analytical work, Force 03 the proof of performance investors require, and Section 4 the speed at which institutions adapt.

SCENE 2 · HOW IT PASSES IN: ENTRANTS RUN THE MACHINE AT A SMALLER SCALE

An entrant built this way can operate from a structurally smaller minimum efficient scale than an incumbent. The rules require an accountable firm, not a large one. The sign of this scene is the composition of teams changing: fewer junior investors, engineers beside investors, and firms of a few partners running funds that once needed eight to ten people.

SCENE 3 · WHAT IT DOES TO THE FUND: INVESTORS BEGIN TO FUND THE NEW FORM

A replacement architecture does not win by working; it wins when investors fund it. Until then the incumbent holds a proof-time moat: the interval between the new form becoming technically viable and becoming institutionally fundable. The sign of this scene would be investors committing to AI-native funds at scale, and re-upping with them.

SCENE 4 · WHAT THE FUND MANAGER FACES: ITS FORM MUST JUSTIFY ITSELF

The incumbent is left to show that its form, not just its people, is still needed to do the investment work. Its trust advantages are real: an audited track record, key-person credibility, licences, controls and relationships with investors who write cheques. But they compound through realised outcomes over a decade, while the entrant's advantages compound through throughput within a fund cycle. The sign of this scene would be incumbents redesigning their operating model, not just adding tools.

4 The evidence, scene by scene

Scene 1 is documented outside Africa, Scene 2 rests on the firms' own claims and on team data, and Scenes 3 and 4 are this note's proposition. Table F4.7 sets out, for each scene, what would have to be true, the evidence for and against, and its status.

Table F4.7 THE EVIDENCE FOR FORCE 04, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument. Sources are given in the text below and in Tables F4.8 and F4.9.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. The machine becomes buildable	Firms document running an AI-native operating architecture	**Global:** SignalFire, Moonfire, InReach and Brainworks each publish an account of their machine. Blueprint providers sell it function by function. **Africa:** one fund manager, Oui Capital, uses AI in three functions	Most firms called AI-native did not survive checking. No fund manager was found running continuous monitoring in production; 75% of general partners rate AI ineffective for portfolio monitoring	DOCUMENTED outside Africa

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
2. Entrants run it at a smaller scale	Fewer people and a lower cost base for the same work	**Global:** Brainworks describes its US$50m fund as run as an AI-native organisation, automating deal flow, diligence and operations, with no figures published. Data-driven firms: one engineer for every five investors; 45% plan to cut junior investor roles, 2% to add them. Air Street raised US$232m with a solo general partner	Bain: only 23% of executives can tie AI to new revenue or lower cost. Only 6% of portfolio companies arrive at close with clean, integrated data	DOCUMENTED as the firms' own claims
3. Investors fund the new form	Investors commit to AI-native funds at scale and re-up	None measured. No published study of how long proof takes	45% of first-time and emerging managers fail to reach a first close (Force 03). Capital is concentrating: 12 United States venture firms raised more than half of all capital in the first half of 2025	PROPOSED
4. The incumbent's form must justify itself	Incumbents redesign their operating model, or lose investors to entrants	Around 79% of limited partners declined to re-invest with at least one manager in a year, mostly on performance	Relationships carry managers: 49% of the worst-performing funds still raised a follow-on	PROPOSED

SOURCE As cited in the text of this part and in Tables F4.8 and F4.9.

Scene 1 needs the species separated before any of them can be used as evidence, because three different things are happening at once and only one is this force. The entrant is easier to assert than to find, and most of what gets called an AI-native investment firm is something else. Table F4.8 separates the four species.

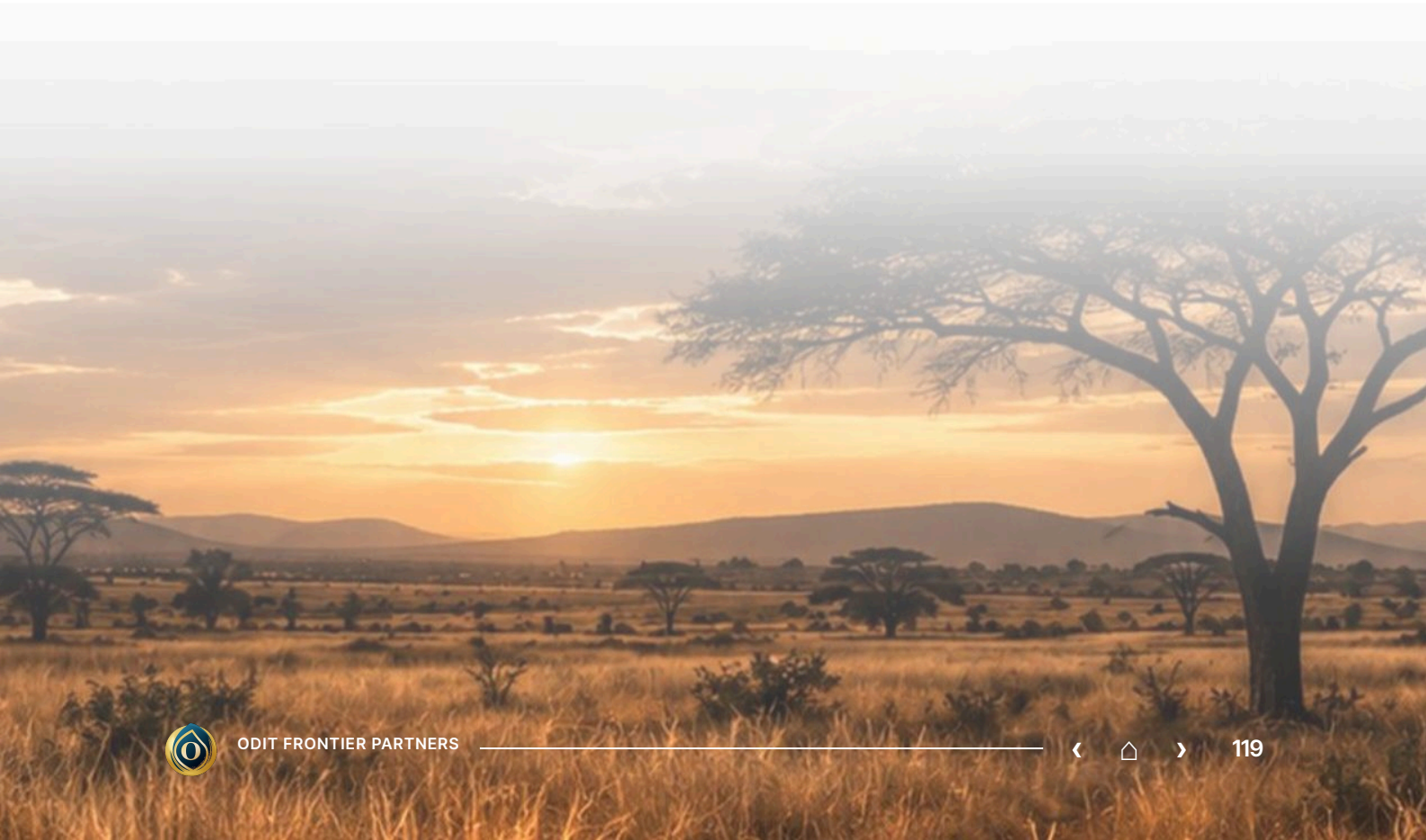


Table F4.8 SPECIES MAP: WHAT IS BEING CLAIMED, AGAINST WHAT IS BEING RUN

NOTE Each species of AI-native manager, set against the specimens documented as running it. Claims without operating evidence are left out.

Species	What it is	Documented specimens, first-party unless noted
AI vertical fund	Capital targeting AI companies. Proves fund formation around the vertical, not operational subsumption.	Oakvale Invest, Africa-only pre-seed for founders aged 18 to 25. Conviction, whose own site describes it as "purpose-built to serve AI-Native" companies. 1MX AI, Singapore.
Incumbent function subsumer	A conventional manager rebuilding one discrete function around AI, while the institution stays as it was.	EQT's Motherbrain, since 2016. OM Venture Capital's AI-enabled sourcing, explicitly framed as "bionic", human plus machine. Carta, as infrastructure rather than manager.
AI-native investment manager	The fund's own operating machine designed around machine labour from inception. This force, and the load-bearing category.	SignalFire, Moonfire, InReach Ventures, Brainworks Ventures, each publishing some account of its own operating architecture.
Blueprint provider	Sells the AI-native investment machinery to funds. Not an investment manager and not counted as an entrant.	Reuben AI, Samcio, VCOS.

SOURCE Odit Frontier Partners.

African evidence boundary

No Africa-based fund manager was found publicly documenting an end-to-end AI-native operating model. Across eight independent search strategies, covering pan-African and country-level searches in South Africa, Nigeria, Kenya, Egypt, Ghana, Morocco and Rwanda, the major African private equity houses, the African venture trade press and the data-driven venture censuses, we did not identify an Africa-based private equity or venture manager publicly documenting an end-to-end AI-native investment operating model spanning sourcing, diligence, investment committee, portfolio monitoring and investor reporting. Every species-C and species-D specimen located is North American, European or Asian.

Odit Frontier Partners, the publisher of this note, has developed AI-native investment-process architecture in Africa. It is an advisory and systems firm rather than an investment manager, sits in the blueprint category, and is therefore expressly excluded from the entrant count. What has appeared locally is the adjacent species: AI-specialist capital. Oakvale Invest states a first-party mandate of pre-seed cheques for African founders aged 18 to 25 building AI for the global market, and made its first disclosed investment, just over ZAR 1m into Tennsa, a Cape Town AI business-intelligence platform for small businesses, on 7 August 2026.

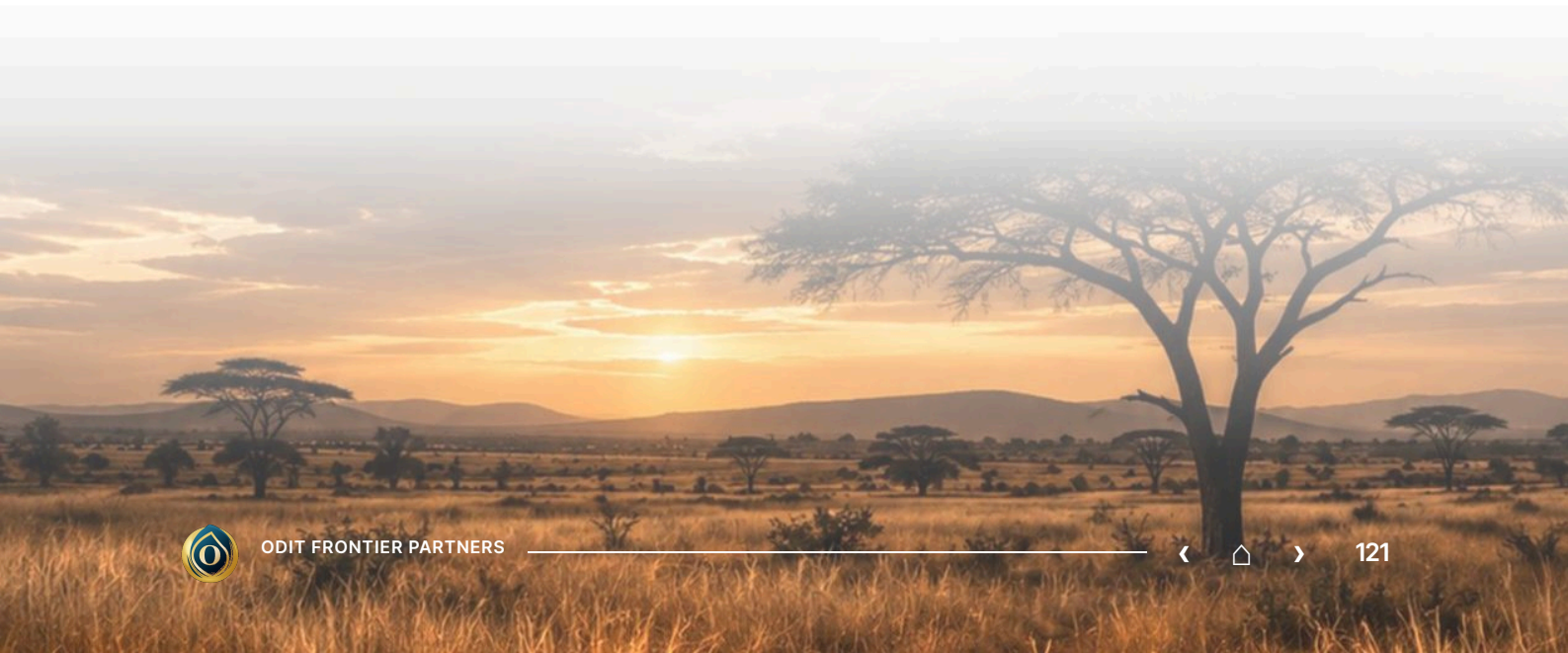
The scope of that finding is public documentation in English-language sources, not proof that no such firm exists privately. Stated precisely: in Africa this force is a demonstrated global trajectory rather than an established local competitor set.

Three firms document the machine rather than the ambition. SignalFire, at roughly US$3bn under management after raising more than US$1bn in April 2025, describes itself as having "operated as an applied AI company since its inception" and runs Beacon, a platform built on talent data covering more than 650 million individuals and 80 million organisations, refined in-house over twelve years. Moonfire publishes the most detailed engineering account of any manager found, partitioning the venture process into sourcing, screening, company evaluation, founder evaluation, portfolio simulation and portfolio support, with a named classifier model, and stating that its pipeline lets it see two million companies a year rather than ten thousand. Its founder puts the distinction exactly: a technology company whose business is venture, rather than a venture firm that dabbles with technology. InReach Ventures has run its own sourcing platform since before the current wave and claims the majority of its investments are sourced through it, which is useful evidence that the species predates 2025.

The vivid new case is Brainworks Ventures, whose managing partner sets out the claim in terms this section could have written: "AI-native doesn't mean we use ChatGPT to write emails. It means we've rebuilt the core operations of venture capital from first principles, using AI as the foundation rather than an add-on." The firm reports three partners, roughly ninety per cent of deal screening automated and operating expenses roughly ninety per cent below a conventional fund. ***The verification boundary should be stated with it.*** The figures are the firm's own and unaudited, and the US$50m is a target against a US$15m first close the firm was targeting, so what is documented is a stated architecture rather than a realised track record.

Some firms commonly described in secondary coverage as AI-native did not meet the evidentiary threshold used here. In several cases the term referred to the companies being financed rather than to the investment manager's own operating architecture. Elsewhere, lean-team or AI-agent claims appeared only in secondary coverage, or first-party materials stated an ambition to become AI-native without disclosing enough operational detail to establish that the model was already in production. A separate early-detection sourcing claim traced back to marketing material for a different company. None of this is a judgement on the firms concerned, several of which make no AI-native operating claim of their own. The gap between the label and verifiable operating evidence is itself relevant to this force.

Carta belongs in the second row and says so in its own words. Its 2026 material describes an architecture layered on top of an existing system of record, with AI connecting "over a decade of deep industry context"; it has rewired fund administration around AI since October 2025, published expense, monitoring and valuation agents in a February 2026 roadmap, and shipped natural-language querying of fund performance in April 2026, while describing an agentic future as an aspiration rather than a present state. It has also acquired an AI-native law firm. What it describes is a system of record that has added AI, which is a different and much more common creature than the one this force describes, and it is worth separating because the two are routinely conflated.



The most defensible observation in this section is an inversion: the blueprint sellers document the AI-native investment machine more thoroughly than almost any manager documents running one.

Reuben AI, Samcio and VCOS all publish detailed, priced, function-by-function coverage of the full investment lifecycle, from deal intake and thesis-based grading through audit-ready committee memos to automated quarterly investor reporting. One of them names Carta among the tools it replaces. Very few managers publish anything comparable about their own operations. ***The inference is a proposition rather than a finding.*** If the machinery is better described by the people selling it than by the people running it, then for most claimants in 2026 the AI-native fund is a purchased stack rather than a built one, and the durable advantage lies in the design rather than in the adoption.

Read in sequence, the four species are not competitors but stages, and the market is presently distributed across all of them: AI becomes an investee sector, then a tool inside the fund, then a rebuilt workflow, then the operating architecture, and finally the manager itself. Africa currently sits at the first stage, with the architecture available before the species built around it is visibly established.

The last two rows are the weakest, and saying so is more useful than defending them. S&P Global's February 2026 survey found majorities of general partners rating AI ineffective precisely there: 75% for portfolio monitoring and 64% for deal sourcing, against due diligence as the highest-integration function.[61] PwC found only 16% of private credit respondents treating AI-enabled portfolio management as a current priority, against 54% for underwriting.[62] Our search did not identify a named manager publicly disclosing a production system that monitors portfolio metrics or covenants continuously with automated escalation. Continuous monitoring is at present a design claim and a vendor category rather than an observed practice, and the institutional standard for portfolio company reporting, ILPA's Portfolio Company Metrics Template, was last issued in 2019, with a successor not due until January 2027.

Scene 2 is visible at the top of the funnel and in the composition of teams. The figures below are the firms' own and the survey data is from the United States and Europe.

Beyond the individual specimens, the shift is visible at the top of the funnel and in the composition of teams. Gompers, Gornall, Kaplan and Strebulaev found that the average venture firm screens 200 companies and makes four investments in a year, and that it is small, with 14 employees and five senior investment professionals.[63] Against that baseline, Air Street Capital closed a US$232m third fund in March 2026 led by a solo general partner, reported as Europe's largest solo-GP venture firm.[64] It is cited here as evidence on minimum efficient scale, not as an AI-native operator; it does not publicly claim an AI-run investment process. The 2026 Data-Driven VC landscape counted 345 such firms, up from 151 in 2023, with a median of US$500m in assets, 15 employees and one engineer, a ratio the report describes as roughly one engineer for every five investors and stable regardless of fund size. Of those firms, 49%

61 S&P Global Market Intelligence, 2026 Private Equity and Venture Capital Outlook, 13 April 2026.
62 PwC, Private Credit Survey 2026.
63 Gompers, Gornall, Kaplan and Strebulaev, How Do Venture Capitalists Make Decisions, NBER w22587 and Journal of Financial Economics 135(1).
64 Air Street Capital, Fund III, 23 March 2026.

planned to hire one or more engineers within the year, 45% planned to cut junior investor roles, and 2% planned to add them.[65] The median headcount has not fallen. Its composition has inverted.

First, EQT's Motherbrain, the incumbent sourcing platform most often cited as proof of concept, sits in the second species rather than the third, and the record attributed to it is not publicly established. It has run at EQT since 2016.[66] The deal count usually quoted, nine investments fully sourced, reaches the reader through trade coverage relaying a claim on the firm's website rather than through financial disclosure; the platform's current public page carries no deal count, and a different figure circulates elsewhere. The point is not which number is right. It is that a decade of continuous machine discovery at scale has not produced a publicly verifiable one. Second, the pilot-to-production gap is large and measured. Bain's November 2025 executive survey of 197 respondents found software development, the best-performing domain, converting 40% of pilots to scale, with other categories between one fifth and one third, and only 23% of respondents able to tie AI initiatives to new revenue or lower cost.[67]

The demand-and-readiness gap is real but comes from two separate studies a year apart, and should not be read as one survey's internal contradiction. Accordion's August 2025 survey of 200 private equity sponsors and 200 portfolio-company chief financial officers found 98% of sponsors had directed their finance leaders to prioritise AI adoption. Its separate 2026 benchmark of operating partners found just 6% of portfolio companies arrive at close with clean, integrated data supportive of AI in the first hundred days, with 34% fully unprepared and 41% only partially ready.[68] Firms are not short of intent. They are short of the substrate.

There is a structural reason the entrant can be small, and it is not that the rules have relaxed for it. The Securities and Exchange Commission withdrew its proposed predictive-data-analytics conflicts rule in June 2025, and the Fifth Circuit vacated the Private Fund Adviser Rules in June 2024, so the quarterly fee, expense and performance statements those rules would have mandated are not currently required.[69] **That is a narrow point about one vacated rule, not a general statement that investor reporting is unregulated: Advisers Act obligations, anti-fraud provisions, recordkeeping duties, state law and the partnership agreement all continue to apply.** What remains binding is general fiduciary and recordkeeping liability, and, for an EU manager, the requirement under AIFMD Article 19 that valuation be performed independently of the front office, with liability that outsourcing does not transfer.[70] Those constraints require an accountable firm, not a large one, and that distinction is the whole of the entrant's structural advantage.

Scenes 3 and 4 turn on whether investors will fund the new form, and on what the incumbent's trust is worth. The paragraphs below set out the incumbent's side of the ledger, what trust does and does not buy, and why the proof-time moat protects the incumbent from the entrant but not from the investor's own arithmetic.

Capital allocation is not only an efficiency contest. The incumbent's advantages are of a different kind and they are not obviously perishable: an audited track record, key-person credibility, regulatory licences and permissions, operational controls and liability cover, established relationships with the investors who actually write cheques, and accumulated judgement about which businesses in a given market survive. The formation evidence in the third force bears directly on this: sponsorship and a record move the odds of a first close. That is not a preference an entrant can design around with better architecture, because the thing being demanded is precisely the thing an entrant does not yet have.

65 Data-Driven VC Landscape 2026.
66 EQT Motherbrain, via trade press citing the firm's website.
67 Bain executive survey, 24 November 2025, n=197.
68 Accordion sponsor and CFO survey, 11 August 2025, and Accordion with Wakefield Research, PE AI Adoption Benchmark 2026.
69 SEC withdrawal of proposed rule S7-12-23, 17 June 2025. Fifth Circuit vacatur of the Private Fund Adviser Rules, 5 June 2024.
70 AIFMD Article 19.

The real question is therefore which advantage compounds faster. Speed and cost advantages compound through throughput, which is measurable within a fund cycle. Trust advantages compound through realised outcomes, which take a decade to accrue and, on the disclosure evidence in Force 03, are mostly not published even when they exist. **The following is a proposition, and an unresolved one.** The asymmetry cuts both ways. An entrant can build architecture faster than an incumbent can rebuild process; an incumbent can hold an investor relationship for longer than an entrant can survive without one. Which matters more depends on whether investors are selecting on demonstrated conversion or on institutional familiarity, and the transparency evidence suggests that in African private capital they currently cannot select on the first.

THE FORWARD-LOOKING UNDERWRITING TEST: TRACK RECORD UNDER TRANSITION

Track Record Under Transition[71]

The paragraphs above credit the incumbent with trust, and the credit is deserved. It is worth being exact about what trust buys, because this note would overstate its own case if it allowed relationship to stand in for underwriting.

A long relationship reduces friction. It shortens diligence, raises the credibility of what a manager says about itself, secures the meeting, and buys patience through a weak period. What it does not do is answer the allocation question. Coller Capital's 41st Global Private Capital Barometer, published in December 2024, found that around 79% of limited partners had declined the opportunity to re-invest with one or more of their current managers in the preceding twelve months. Performance was the leading reason at 42%, and a shortage of available capital at 29%. In the academic record the pattern is older and sharper: Hochberg, Ljungqvist and Vissing-Jorgensen found that on average only 50.7% of a first fund's own limited partners reinvest in the follow-on, and that 6% of top-quintile funds could not raise a successor at all. Existing relationships are declined at scale, including good ones.

WHAT CAPITAL ACTUALLY REQUIRES

Not certainty. Venture capital, growth equity and distressed investing would not exist if certainty were the test. The requirement is closer to a sufficiently credible probability-weighted path to an outcome that compensates for the risk taken, the duration committed and the opportunity forgone. That last term is what makes the decision relative rather than absolute, and the 29% capital-shortage finding shows it binding in practice: when an investor's budget is constrained, every re-up is priced against something else the same money could fund. A highly uncertain proposition can remain fundable where the probability and magnitude structure justifies it. A familiar one can become unfundable where the prospective path no longer does.

WHERE THE TRACK RECORD IS ATTACKED

Track record is backward-looking evidence used to make a forward-looking decision. Its value therefore depends on whether the conditions that produced it still hold, and that dependency has been measured. Braun, Jenkinson and Stoff, working from 13,523 realised portfolio-company investments across 865 buyout funds, found that the persistence of fund managers had substantially declined as the sector matured and became more competitive, to the point that private equity largely conformed to the pattern in most other asset classes, in which past performance is a poor predictor of the future. Harris, Jenkinson, Kaplan and Stucke, on 893 buyout and 1,329 venture funds of 1984 to 2014 vintages measured through June 2019, went further on the point that matters most here: when

71 Coller Capital 41st Global Private Capital Barometer, December 2024.

persistence is tested using only the performance information an investor could actually see at the moment of the fundraise, post-2000 buyout fund performance is statistically indistinguishable regardless of which quartile the predecessor sat in.

The mechanism those authors name is maturation and competition. That is the same event this note calls the opening of the enclosure, described from inside the return data rather than from outside it. ***The proposition this box adds is only that the two descriptions are of one thing: if scarce information, protected routes, expensive analytical capacity and inherited process parity helped constitute the enclosure, then performance accumulated inside it cannot by itself establish fitness outside it.***

Three findings narrow that claim and belong with it. Venture persistence did persist in the same study, with top-quartile venture funds repeating roughly 45% of the time, so the collapse is documented for buyout rather than for every strategy, and African growth investing may sit closer to the persistent side. The residual persistence that survives in buyout runs through avoiding bottom-quartile managers rather than identifying top ones, so a record still screens out even where it no longer selects in. And 49% of the worst-performing funds in the Hochberg sample raised a follow-on anyway, which is direct evidence that relationships and private information do carry managers through poor published numbers. The claim here is not that track record is destroyed. It is that structural transition discounts its predictive value while leaving its evidentiary value intact.

A replacement architecture does not win by working. It wins when investors fund it, and those are separate events separated by time. An entrant asking an institution to commit to a different team shape, a different workflow, a different governance model and possibly a different fee logic is asking it to accept a form for which it has no template, and this note's own evidence says how such a request is usually received. Force 03 records that 45% of first-time and emerging managers fail to reach a first close, and that realised evidence accumulates over vintages and cannot be produced on demand.[72]

So the incumbent holds a protection that has nothing to do with being better designed. Call it a proof-time moat: the interval between a replacement architecture becoming technically viable and becoming institutionally fundable. During that interval the incumbent does not have to out-design the entrant. It only has to still be there at the end of it. The qualification set out in the box above travels with that sentence: being there is not the same thing as remaining underwritable, and the moat protects the incumbent from the entrant rather than from the investor's own arithmetic.

How long the interval runs was tested and could not be established. No published study of the minimum proof cycle for a new investment-management model was identified, and no reliable count of historical transitions from first pilot to institutional adoption. A lower bound of about three years is plausible on the shape of the requirements alone, since anchor capital, deployment, operating evidence and a first re-up cannot realistically be compressed much further, but no source supports it and this note therefore asserts no figure. What the evidence does support is directional: the interval is measured in vintages rather than quarters, and it is set by investor behaviour rather than by technology.

Three conditions would compress it, and the third is the one most often missing. The architecture has to be technically viable. Incumbent dissatisfaction has to be high enough that investors are actively looking, which the distribution evidence in Force 03 suggests may already be the case. And a credible entrant has to do two things at once: diagnose the structural failure and operate the replacement. An entrant that only says machine labour is cheaper is making the Force 01 argument, and will be answered by adoption. An entrant that can name what is broken and run the thing that replaces it is making this one.

72 I&P and IETP, How can African SME funds mobilise more capital, 28 January 2025, pages 9 and 41 to 43.

That produces an uncomfortable overlap with the recognition lag set out in Section 3. An incumbent can continue raising throughout a challenger's proof period, because the proof period is invisible from outside. The old architecture can be funded while the replacement is being piloted beneath it, and where the challenger reaches proof at a moment when investor frustration is already elevated, a migration years in the making can look sudden.

Adoption and design are different acts. Adoption improves a process that already exists; design decides which processes exist at all. The competitive threat is not primarily that entrants win a given transaction head to head. It is that they operate from a structurally different minimum efficient scale. Two limits belong on that claim. **The next figure is a derivation.** At a conventional 2% fee a US$25m fund produces about US$500,000 of gross annual management-fee revenue, which illustrates a floor problem that technology does not solve, because AI compresses analytical workload rather than fee revenue or the noninvesting half of a manager's job. And capital is concentrating in the opposite direction: PitchBook records 12 United States venture firms raising more than half the total value of capital raised in the first half of 2025, a fundraising concentration rather than a deployment one.[73] Minimum efficient scale may be falling while the allocation available to small firms shrinks.

The record confirms the boundary: AI in Africa is still mostly something to invest in, not a way of running the fund. Table F4.9 lists the cases from the record by scene.

Table F4.9 CASES FROM THE RECORD FOR FORCE 04, BY SCENE: AT WORK AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
1	**At work:** An Africa-focused fund manager puts AI inside its own sourcing, screening and diligence	15 Sept 2026	Oui Capital has built Oui Capital OS, which crawls the web, social media, product marketplaces and media for startups that fit its strategy, prescreens them on markets and traction before the team sees them, and works through data rooms in diligence. It is described as augmenting the team rather than replacing it. Portfolio monitoring and investor reporting are not mentioned.	Position 3 on the spectrum, documented in Africa: one fund manager rebuilding three functions around AI. It is not the end-to-end operating model this force describes.	Condia.
1	**At work:** A New York agentic intelligence firm buys an African market intelligence business	24 Jul 2026	Native, which describes itself as an operating system for offline trade, acquired Frontline Research Group, whose market share panels in more than 14 African markets serve AB InBev, Coca-Cola, Heineken, Diageo, Pepsi and Unilever. Price not disclosed.	A machine-native firm acquiring the local information that sourcing and diligence in African consumer markets depend on: the data layer of the machine.	African-Startups.

73 PitchBook, US venture firm concentration, 15 July 2025.

Scene	Case	Date	What the record shows	What it shows here	Source
2	**At work:** A sale process run without an investment bank	Aug 2026	Blackstone agreed to acquire a majority stake in Greece's largest online marketplace at a EUR 635m enterprise value in a process run without an investment bank. Buyers used a data portal and a chatbot answered diligence questions; valuation, negotiation and structuring stayed with people. About EUR 9m in advisory fees was not paid, on a Wall Street Journal estimate.	Outside Africa. A step in the transaction chain removed rather than made cheaper.	LinkedIn post citing the Wall Street Journal.
1	**Limits:** Enza Capital raises an AI fund, not an AI-run fund	11 Nov 2026	A US$21m first close for Enza Capital III LP, the AI Africa Fund, against a US$60m target and a US$80m hard cap, to back AI startups and AI-enabled businesses across Africa. Enza reports nearly a dozen AI-first companies among the 49 it has backed over seven years.	Position 2 on the spectrum. The fund invests in AI; no source reports Enza using AI in its own investment operations.	Africa Private Equity News and Mike Mompi, via LinkedIn; Condia.
1	**Limits:** South African capital announcing AI funds	Nov 2025 to Aug 2026	LLH Capital plans a US$200m fund for AI-driven businesses in Africa after its Optasia exit. Sygnia's founder and chief executive is launching a venture fund for South African AI startups, size not disclosed. Oakvale Invest made its first AI pre-seed investment, ZAR1m into Tennsa, in August 2026.	Position 2 again, announced or small. None states that the fund uses AI in its own operations.	Semafor; Sygnia; African-Startups, via LinkedIn.
1	**Limits:** South African fund managers buying into AI businesses	Jul to Sept 2026	VEA Capital Partners took a significant minority stake in Bonisa Applied Insights, an AI and data science business. Knife Capital and FAM Investments put US$5m into Cue, a developer of customer-service AI agents.	AI as an asset being bought, not as a way of running the fund.	Africa Investor Review, via LinkedIn; Africa Private Equity News; Launch Base Africa.

Scene	Case	Date	What the record shows	What it shows here	Source
1	**Limits:** A listed African company rebuilds its leadership around an AI workflow platform	Sept 2026	JSE-listed 4Sight created new executive roles to turn its 4AI platform into an engine for automating business processes.	Process redesign is happening in African operating companies. No fund manager equivalent appears in the register.	LinkedIn post.
1 to 4	**Limits:** No AI-native fund manager in Africa	To 14 Nov 2026	None of the register's AI-native or agentic records concerns an African fund manager running an end-to-end AI-native model. The nearest is Oui Capital, which uses AI in three functions.	Consistent with the evidence boundary stated in this force.	OFP LinkedIn Intelligence Register.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

In Africa, Force 04 is a demonstrated global trajectory, not an established local competitor set. No Africa-based private equity or venture fund manager was found publicly documenting an end-to-end AI-native operating model; every specimen at positions 4 and 5 is North American, European or Asian. The finding covers public documentation in English-language sources, not proof that no such firm exists privately. Odit Frontier Partners, the publisher of this note, builds AI-native investment-process architecture; it is a blueprint provider, not a fund manager, and is excluded from the count.

5 Sliding the dial: who survives Force 04, and who does not

How much damage Force 04 does depends on where the market sits on the range from paddock to open savannah, and that turns on whether investors will fund the new form. In the paddock investors fund only the familiar form, and AI on the desk is enough. In the middle ground AI-native entrants appear and begin to raise, mostly outside Africa. On the open savannah investors fund the new form at scale, and an incumbent's form has to justify itself. Figure F4.7 slides the dial across the three positions and shows, for each, who survives and who does not; Table F4.10 gives the full wording. The markers show where this note reads the market now: Africa close to the paddock, with no AI-native fund manager yet, and the Western frontier in the middle ground.

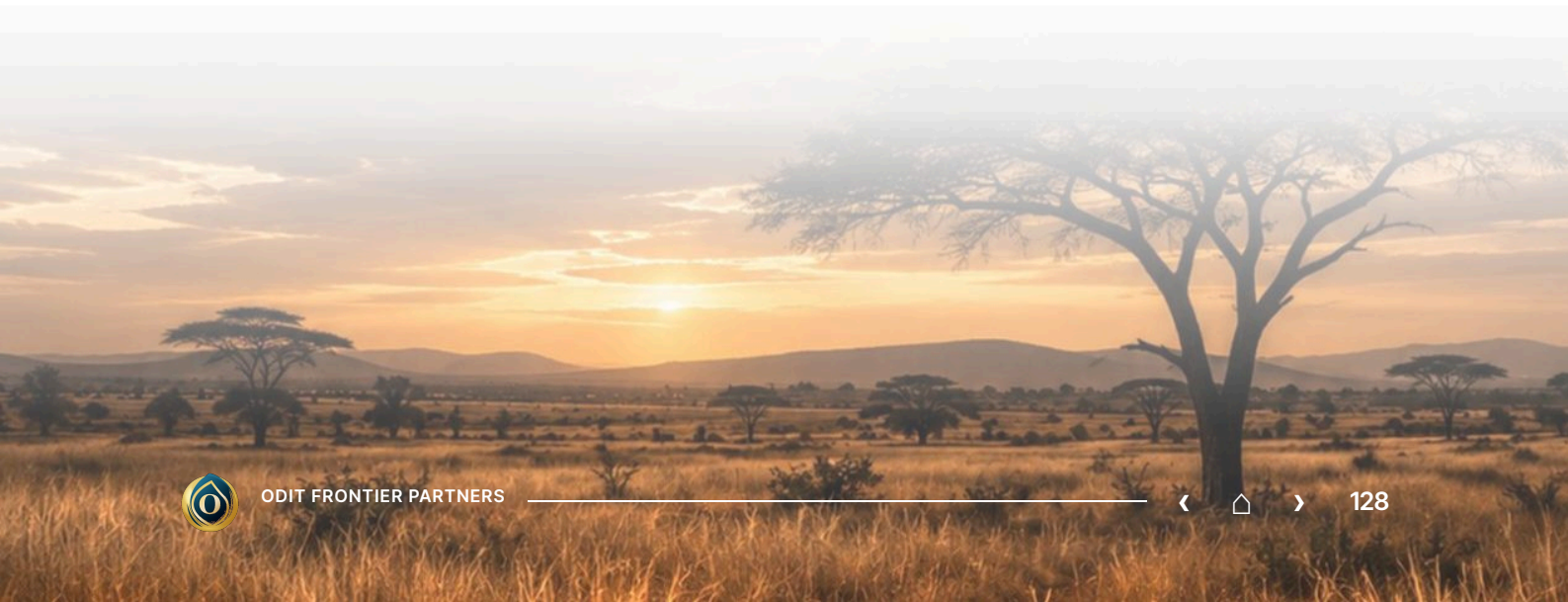
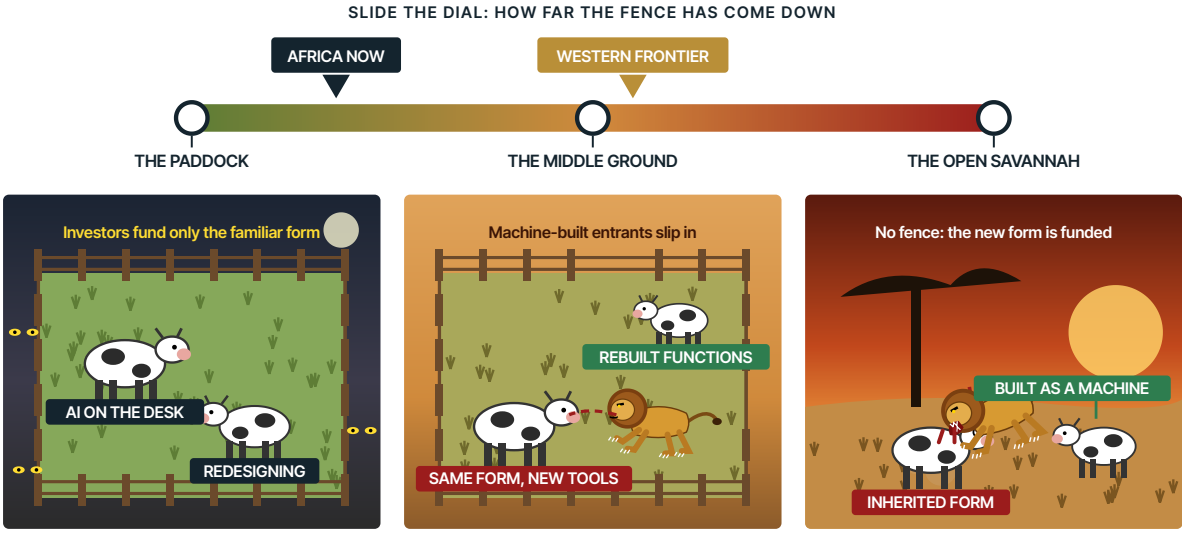


Figure F4.7 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 04 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for African private equity fund managers and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the markers are this note's reading as at November 2026.



SURVIVES
Almost every fund manager: AI on the desk is enough

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Fund managers rebuilding functions around AI, and those whose record still carries them

DOES NOT SURVIVE
Fund managers with the full team and cost base and only AI on the desk: a slow decline

SURVIVES
Fund managers that redesigned their operating model, or whose judgement and record are still underwritable

DOES NOT SURVIVE
Fund managers whose form exists only because it always has, with AI used only on the desk

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F4.10 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FUND MANAGER'S FORM, WHO SURVIVES FORCE 04 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F4.7. All three right-hand columns are this note's proposition.

Position	What happens to the form	Survives	Does not survive
The paddock Fence holds	Investors fund only the familiar form; the proof-time moat holds.	Almost every fund manager, including those using AI only on the desk.	No one is forced out by this force alone.
The middle ground Fence has gaps	AI-native entrants appear and raise, mostly outside Africa; investors start comparing forms.	Fund managers rebuilding functions around AI, positions 3 and 4 on the spectrum, and those whose track record and relationships still carry them.	Fund managers keeping the full team, committee rhythm and cost base, with AI used only on the desk. Their decline is slow, because the proof-time moat still protects them.
The open savannah No fence	Investors fund the new form at scale; the incumbent's form has to justify itself.	Fund managers that redesigned their operating model, and those whose judgement, record and relationships remain underwritable on a forward-looking test.	Fund managers whose form exists only because it always has, using AI only on the desk.

SOURCE Odit Frontier Partners.

6 What Force 04 leaves the African private equity fund

The fitness question Force 04 leaves is about form. Does this organisational model still need to exist in its present shape in order to perform the investment function?

What would move Scenes 3 and 4 from proposition to finding is evidence that does not yet exist. It would take a published study of how long a new investment-management model takes to become fundable, an African fund manager documenting an end-to-end AI-native operating model, and investors committing to and re-upping with AI-native funds at scale. The register is the place this note will look for each.

In short, the AI most African fund managers use makes their work cheaper; the AI they will compete with makes their form optional. Using Claude or ChatGPT on the desk is Force 01. Force 04 is a firm built as a machine, with people only where judgement, relationships and fiduciary duty require them. It is documented abroad, absent in Africa so far, and held back mainly by how long investors take to fund a new form.





FORCE 05 OF 09

HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the chest of the formation, Figure 1.8

Private Credit and Evergreen Liquidity

Funds that promise investors their money back at set intervals, holding loans and stakes that cannot be sold on that timetable

Attacks Liquidity Credibility: whether the promise to let investors out can be kept

WHAT THIS COVERS

The promise in an evergreen fund that investors can withdraw: a quarterly withdrawal at net asset value up to a cap of about 5%, assets sold as needed to pay those withdrawals, and the cap treated as a formality rather than as the term that actually binds.

> A promise of periodic access written against assets that cannot honour it at speed, tested in developed markets through 2026 and rationed rather than broken.

1 What Force 05 is: a promise of liquidity written against assets that have none

Force 05, the Private Credit and Evergreen Liquidity Contradiction, is the gap between the liquidity an evergreen fund promises its investors and the liquidity of what it holds. A closed-end private equity fund locks an investor's money in for the better part of a decade. Evergreen and semi-liquid vehicles were built partly to soften that: the investor is told they can take money out periodically, quarterly or annually, within stated limits. The assets underneath are loans to private companies and holdings in unlisted businesses, which cannot be sold on that timetable at a sensible price. It is a contradiction, the third kind of force in Table 2.2: the remedy offered for the conventional fund's limits meets a structural limit of its own. Table F5.1 sets the force out in one line.

Table F5.1 FORCE 05 IN ONE LINE: WHO ATTACKS, WHAT IT TESTS, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 05, Private Credit and Evergreen Liquidity Contradiction
Who or what attacks	Investors in evergreen and semi-liquid funds asking for their money back in the same window, often wealth and retail investors let into private markets since 2025
What it takes over	Nothing is absorbed: the promise of periodic access is tested and found to be rationed
Where in the fund	The fund vehicle and its promise of liquidity to its investors: in Species B the redemption window and its cap
What the fund loses	The credibility of the liquidity promise
Kind of force	Contradiction: the remedy meets a structural limit of its own

SOURCE Odit Frontier Partners.

The strain appears when many investors ask in the same window and those sources run short together. The vehicle must then produce cash from assets that will not convert quickly at fair value, and it has three ways to do it: sell at a poor price, borrow further against the portfolio, or decline to pay, which is what a gate is. Conceptually this is the private-markets analogue of a bank-run dynamic, a promise of near-term access written against assets that cannot honour it at speed. Stated soberly, it is a mismatch to be managed and disclosed, not a prophecy to be dramatised.

2 What Force 05 attacks, and where that sits in the two species

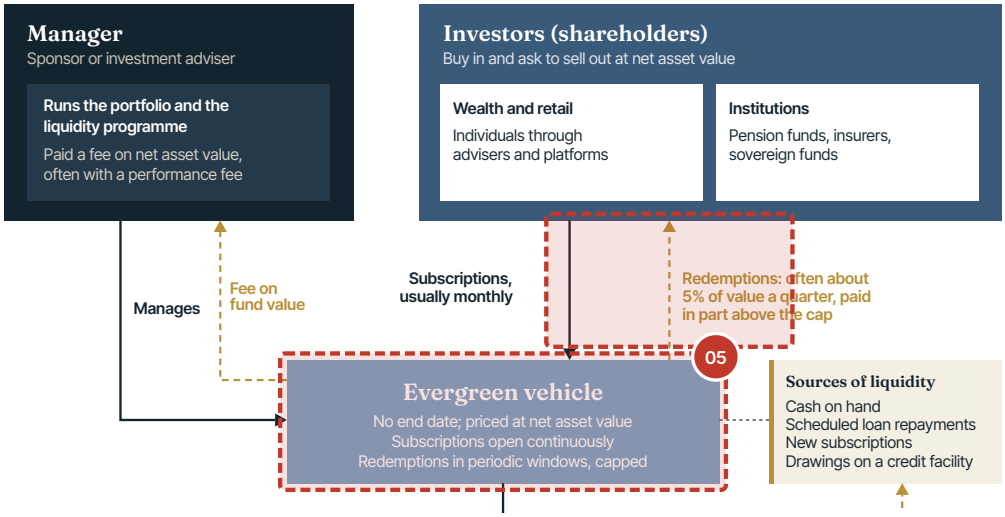
Force 05 attacks liquidity: whether the promise to let investors out can be kept. The promise sits in Species B: the quarterly redemption window, the cap of about 5% of net asset value, the rule for paying in part when requests exceed the cap, and the sources of cash behind it. Species A makes no such promise, which is why the force reaches it only through the alternatives it is compared with. Figure F5.1 marks where, and Table F5.2 defines each part of the promise and places it in both species.



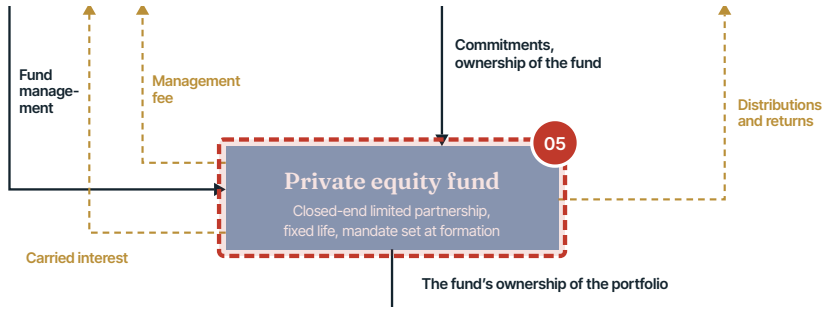
Figure F5.1 WHERE FORCE 05 ATTACKS: THE EVERGREEN FUND'S PROMISE OF REDEMPTION, WITH THE CLOSED-END FUND FOR COMPARISON

NOTE Species B is shown first because the promise sits there. The two funds are drawn as in Figures 0.1 and 0.3 and Figures 0.4 to 0.6 show the redemption route over time.

SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: FORCE 05 ATTACKS THE VEHICLE'S PROMISE OF REDEMPTION AND THE CAPPED WITHDRAWAL ROUTE



SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: THE FUND VEHICLE, WHICH PROMISES NO REDEMPTION BEFORE IT ENDS



SOURCE Odit Frontier Partners, following Figures 0.1, 0.3 and 0.4 and Table 0.2.

Table F5.2 WHAT FORCE 05 ATTACKS: EACH PART OF THE LIQUIDITY PROMISE, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F5.1 and Figures 0.4 to 0.6.

Part of the promise	What it is	In Species A	In Species B
The redemption window	A set date, usually quarterly, on which investors may ask to sell shares back to the fund at net asset value	None: investors are locked in for about ten years	Every quarter (Figure 0.4)
The cap	The most the fund will buy back in one window	Not applicable	About 5% of net asset value a quarter
The pro-rata rule	How requests above the cap are paid: each in part, the rest queued	Not applicable	Paid in part; the rest waits for the next window, with no date certain
The sources of cash	Where the money to pay leavers comes from	Distributions as investments are sold	Cash, loan repayments, new subscriptions and drawings on a credit facility
Valuation	The price at which leavers are paid	Marked at net asset value, without a redemption price	Net asset value; stale marks can reward those who leave first

SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 to 0.6.

EVIDENCE BOUNDARY: WHY THIS FORCE USES DEVELOPED MARKETS AS ITS PROXY

Evidence boundary

Public evidence on African evergreen and semi-liquid private-market vehicles is not merely thin. On the specific question of redemption behaviour it is absent. Our search found no African vehicle publishing redemption request volumes, a repurchase cap as a percentage of net asset value, a cap-reached event, a proration percentage, a gating or suspension event, a liquidity sleeve size, a credit-facility drawdown made to meet redemptions, or subscription-versus-redemption flows. Most African vehicles marketed as evergreen turn out to be perpetual but closed-ended, resolving liquidity by never offering redemption at all. What African material exists is promotional or terms-only rather than operationally transparent.

This section therefore uses developed-market evergreen and private-credit vehicles as the clearest observable proxy for the structural mechanism. Those markets are further along in the experiment and, critically, disclose far more about redemption requests, repurchase caps, liquidity controls and behaviour under stress. The inference is not that African evergreen vehicles are already experiencing the same pressures at the same scale. It is that the underlying liquidity mismatch is structurally similar, and that developed markets provide the only available stress laboratory for how that architecture behaves when redemptions rise.

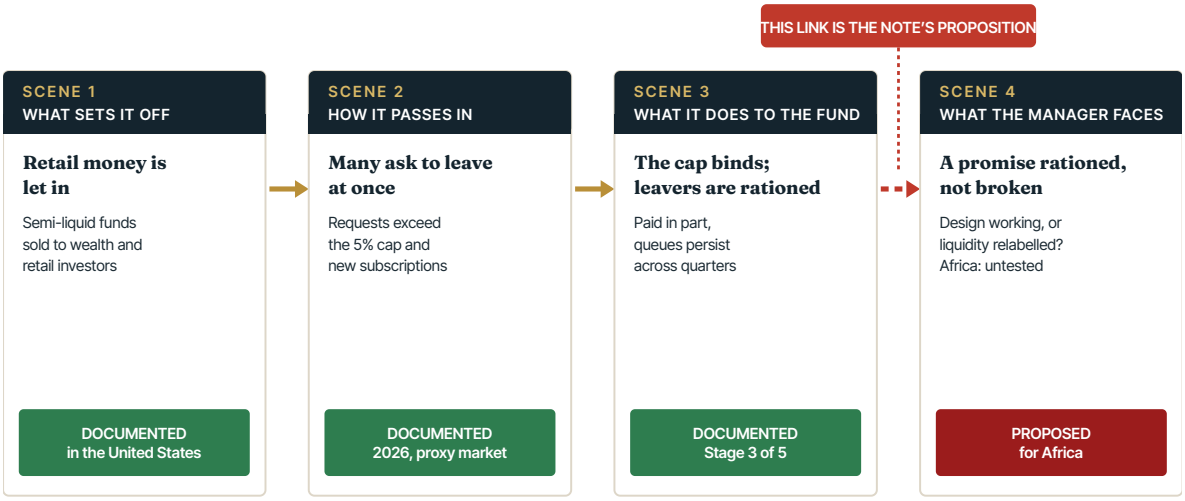
3 How the attack happens, scene by scene

Force 05 reaches the fund in four scenes, and the first three have already been observed in developed markets. Figure F5.2 shows the chain: retail and wealth money is let into private markets through semi-liquid funds, many investors ask to leave in the same window, the cap binds and requests are rationed, and

the fund manager is left with a promise that was rationed rather than broken. Each scene is explained below the figure, with the signs that show it is under way.

Figure F5.2 HOW FORCE 05 REACHES THE EVERGREEN FUND, SCENE BY SCENE

NOTE Green: documented in published sources, here in developed markets. Red: this note's proposition. The evidence for each scene is set out in Part 4, Figure F5.3 and Table F5.4.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: RETAIL AND WEALTH MONEY IS LET IN

Evergreen and semi-liquid funds were built to bring wealth and retail investors into private markets, and from 2025 the rules opened wider. In ordinary conditions the arrangement works, because only a few investors ask at any one time and the vehicle can meet them from several sources at once. Table F5.3 sets the promise as marketed against what happened under pressure. The sign of this scene is the retail share of private credit rising, which the Financial Stability Board puts at around 13% of United States private credit assets, up from virtually zero a decade earlier.

Table F5.3 COLLISION MAP: THE PROMISE AS MARKETED, AGAINST WHAT HAPPENED UNDER PRESSURE IN THE PROXY MARKET

NOTE The left column is the promise; the right is what happened in developed-market vehicles in 2026.

The promise	What happened under pressure, in the proxy market
Periodic access to your money, within stated limits	A cap of about 5% of net asset value a quarter, reached and held
Assets sold as required to fund withdrawals	Assets that cannot be sold quickly at fair value, and loan sales run to fund the queue
The limit as a formality	The limit as the operative term, with requests rationed pro rata
Redemption as an individual decision	Redemption as a collective one, in which asking early pays

SOURCE Odit Frontier Partners.

SCENE 2 · HOW IT PASSES IN: MANY INVESTORS ASK TO LEAVE AT ONCE

The strain appears when requests in one window exceed the cap and the sources of cash run short together. Redemption then becomes a collective decision in which asking early pays. The sign of this scene is redemption requests exceeding new subscriptions, which happened in non-traded business development companies in the first quarter of 2026 for the first time on record.

SCENE 3 · WHAT IT DOES TO THE FUND: THE CAP BINDS AND LEAVERS ARE RATIONED

The fund pays each leaver in part and queues the rest, quarter after quarter. The cap is where the promise ends. The sign of this scene is unmet requests persisting across quarters, which this note's stress stages call Stage 3. The next test is whether that turns into discounted asset sales and pressure on net asset value, Stage 4, which had not happened by November 2026.

SCENE 4 · WHAT THE FUND MANAGER FACES: A PROMISE RATIONED, NOT BROKEN

A liquidity fix is only a fix if it holds under stress, and on the proxy evidence the promise has been rationed rather than broken. Whether rationing is failure or the design working is the open question, and the answer decides whether these structures are a liquidity solution or a liquidity relabelling. ***The African reading is a proposition, because no local observation is available to test it.*** The question is not whether this stress has already occurred in Africa. It has not, and the disclosure regime would not reveal it if it had. It is whether the mechanics travel with the wrapper. A market importing the product form without the disclosure discipline takes on the architecture without the instrumentation, and would learn of a mismatch the way Kenya and Ghana learned of theirs, through enforcement rather than reporting.

4 The evidence, scene by scene

Scenes 1 to 3 are documented in developed markets, and in Africa none of them can be observed, because no African vehicle discloses redemption behaviour. Table F5.4 sets out, for each scene, what would have to be true, the evidence for and against, and its status. Figure F5.3 then lays the global experiment out in time, from the rule that created the interval fund to where it stood when this note was written.

Table F5.4 THE EVIDENCE FOR FORCE 05, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source, here mostly from the United States; proposed means this note's argument. Sources are given in the text below and in Figure F5.3 and Tables F5.5 to F5.8.

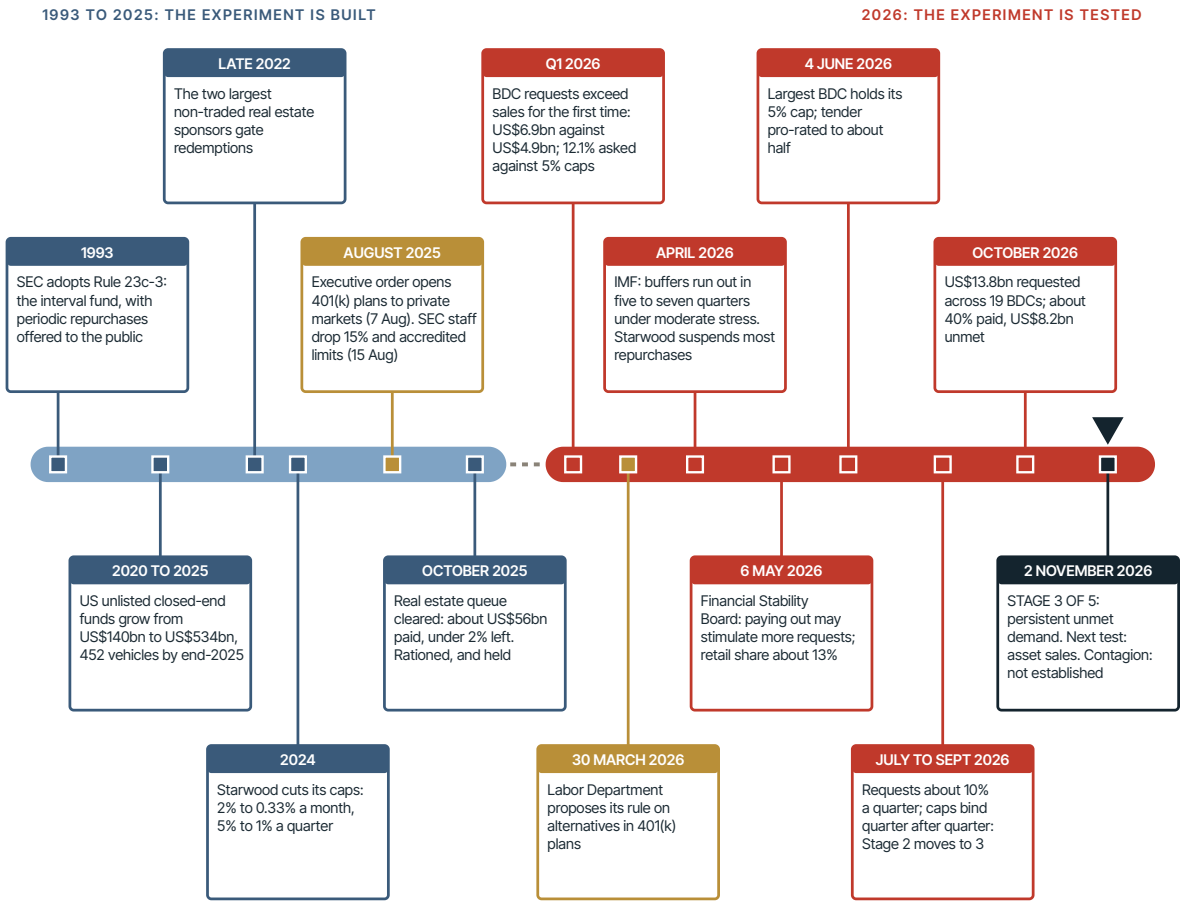
Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Retail money is let in	Semi-liquid funds grow and open to wealth and retail investors	**United States:** unlisted closed-end funds grew from US$140bn to US$534bn in five years to end-2025. Retail share of private credit around 13%. Executive order on 401(k) plans and the SEC staff change, August 2025	Semi-liquid vehicles hold about one-fifth of direct-lending loans (IMF)	DOCUMENTED proxy market
2. Many ask to leave at once	Requests exceed the cap and new subscriptions	**United States:** first quarter 2026, BDC requests of US$6.9bn exceeded sales of US$4.9bn; average requests 12.1% against 5% caps. One vehicle saw requests for about 40% of its shares	Requests eased in aggregate in the third quarter, to 11.5% of net asset value from 12.7%	DOCUMENTED proxy market

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
3. The cap binds; leavers rationed	Requests paid in part, queues persist	**United States:** third quarter 2026, US$13.8bn requested across 19 BDCs, about 40% paid, US$8.2bn unmet. The largest BDC held its 5% cap	The completed real estate episode cleared: about US$56bn paid, under 2% left within about three years. Asset sales and net asset value pressure not established	DOCUMENTED Stage 3 of 5
4. A promise rationed, not broken	The mechanics travel with the wrapper to Africa	**Africa:** none observable. No African vehicle publishes requests, caps used, gates or flows. Two enforcement precedents, Kenya and Ghana	African vehicles mostly avoid the promise: they are permanent, listed or closed-ended	PROPOSED for Africa

SOURCE As cited in the text of this part, Figure F5.3 and Tables F5.5 to F5.8.

Figure F5.3 THE GLOBAL EXPERIMENT IN RETAIL PRIVATE CREDIT, FROM THE INTERVAL FUND RULE IN 1993 TO WHERE IT STOOD AT THE TIME OF THIS NOTE, NOVEMBER 2026

NOTE Blue: the experiment is built. Gold: the rules open wider to retail and retirement savers. Red: the experiment is tested. Black: where it stood when Open Savannah Season was written. The years before 2026 are compressed. All events are in the United States, the proxy market described in Part 2.



SOURCE SEC Rule 23c-3, via ACA Group. Executive order of 7 August 2025. SEC staff ADI 2025-16, via Morrison Foerster. Labor Department proposed rule, 30 March 2026. Stanger via Bisnow and AltsWire. Starwood REIT filings. With Intelligence, April 2026. IMF, April 2026. Financial Stability Board, 6 May 2026. BCRED tender exhibit, 4 June 2026. Odit Frontier Partners, PCMIB-001. As cited in this part.

The rules that let wider savings into these funds opened in stages, and the widest openings came just before the test. The structure dates from 1993, when the securities regulator adopted the rule that created the interval fund.[74] In August 2025 an executive order directed regulators to open 401(k) retirement plans to private markets, and the securities regulator's staff stopped asking registered funds that invest in private funds to limit themselves to accredited investors or to 15% of assets.[75] The Labor Department proposed its rule on 30 March 2026.[76] The redemption test followed within months.

The evidence that follows is proxy evidence drawn from developed markets. In the first quarter of 2026, redemption requests across non-traded business development companies exceeded gross sales for the first time on record, at US$6.9bn against US$4.9bn, with fundraising down 59% year on year. Across the twelve largest such vehicles, average requests reached 12.1% of shares outstanding against typical 5% caps, and roughly 53% of requests were honoured.[77] The largest vehicle in the category raised its cap above 5% in the first quarter to meet demand; in the second quarter requests reached about 10% of shares, the board held the 5% cap, and the tender was pro-rated to roughly half.[78] Its sponsor described holding the cap as "as designed", which is accurate, and which is also the point: the cap is where the promise ends. At the extreme, one technology-focused vehicle received requests for about 40% of its shares in the first quarter and pro-rated to roughly 12% of each holder's request.[79] An interval fund with about US$33bn in net assets received requests for 13.9% of shares against a 5% minimum offer, repurchased 7%, and was concurrently selling around US$1bn of loans.[80]

Scene 3 is tracked quarter by quarter in this note's own briefing on evergreen private credit. Table F5.5 follows the proxy market from July to October 2026, and Table F5.6 sets out the five stress stages and where the market stood on 2 November 2026.

74 ACA Group, The history of interval and tender offer funds: SEC adoption of Rule 23c-3, 1993.
75 Morrison Foerster, SEC staff rescinds position limiting registered closed-end funds' investments in private funds, on Accounting and Disclosure Information 2025-16, 15 August 2025.
76 Executive Order, Democratizing Access to Alternative Assets for 401(k) Investors, 7 August 2025; Employee Benefits Security Administration, proposed rule on fiduciary duties in selecting designated investment alternatives, 30 March 2026, as summarised by the Real Estate Roundtable, 2026.
77 With Intelligence, non-traded BDC redemption analysis, April 2026.
78 BCRED tender offer exhibit filed with the SEC, 4 June 2026.
79 AltsWire, Blue Owl BDC redemptions, 5 July 2026.
80 PitchBook, Cliffwater Corporate Lending Fund, March 2026.

Table F5.5 THE PROXY MARKET THROUGH 2026: REDEMPTION STRESS, JULY TO OCTOBER

NOTE Reported redemption stress in United States semi-liquid vehicles, the proxy market for Species B, from July to October 2026.

Period	What was reported	Direction
July 2026: baseline	Second-quarter requests at around 10.3% of value against typical 5% quarterly limits. Pro-rata fulfilment and liquidity constraints observable; secondary-market discounts under examination.	Moderate, increasing
August 2026: divergence	Some vehicles saw withdrawals ease while others stayed under pressure. Credit-quality concerns rose, and secondary transactions and continuation structures exposed the cost of manufacturing liquidity, without establishing forced sales by the monitored funds. Second-quarter fundraising for non-traded BDCs fell to its lowest quarterly level since 2020.	Moderate, bifurcating
September 2026: persistence confirmed	The largest non-traded BDC received requests of about 10% of shares, US$4.3bn, and held its 5% cap after repeated quarters above the limit. The interval fund cited above received requests of about 16% and capped at 5% for a third straight quarter. Repeated unmet demand moved the reading from Stage 2 toward Stage 3.	High in affected vehicles; persistent
October 2026: quantification and moderation	Across 19 non-traded NAV BDCs, about 98% of the market, third-quarter requests totalled US$13.8bn. About US$5.6bn was paid, roughly 40%, leaving an estimated US$8.2bn unmet, against US$9.8bn in the second quarter. Requests eased to 11.5% of net asset value from 12.7% (same-store). Resubmissions continued at specific vehicles: one Blue Owl vehicle at 16.8% of shares and another near 39%.	Easing in aggregate; Stage 3 persists

SOURCE Odit Frontier Partners, Private Capital Markets Intelligence Briefing PCMIB-001, Evergreen private credit funds, read as at 2 November 2026, oditfrontierpartners.net/pcmib-001.html, drawing on: Robert A. Stanger & Co., NAV BDCs return nearly US$5.6 billion to investors so far in Q3 and more than US$18.2 billion year-to-date 2026, 2 October 2026; Stanger data via AltsWire, 10 August 2026; AltsWire, Blue Owl OCIC and OTIC redemption requests, 2 October 2026; CRE Daily, BCRED holds 5% repurchase cap as requests hit US$4.3bn, 8 September 2026; PitchBook, Cliffwater redemption requests total 16% of shares in Q3, 9 September 2026; Fitch Ratings via Reuters, 17 July 2026.

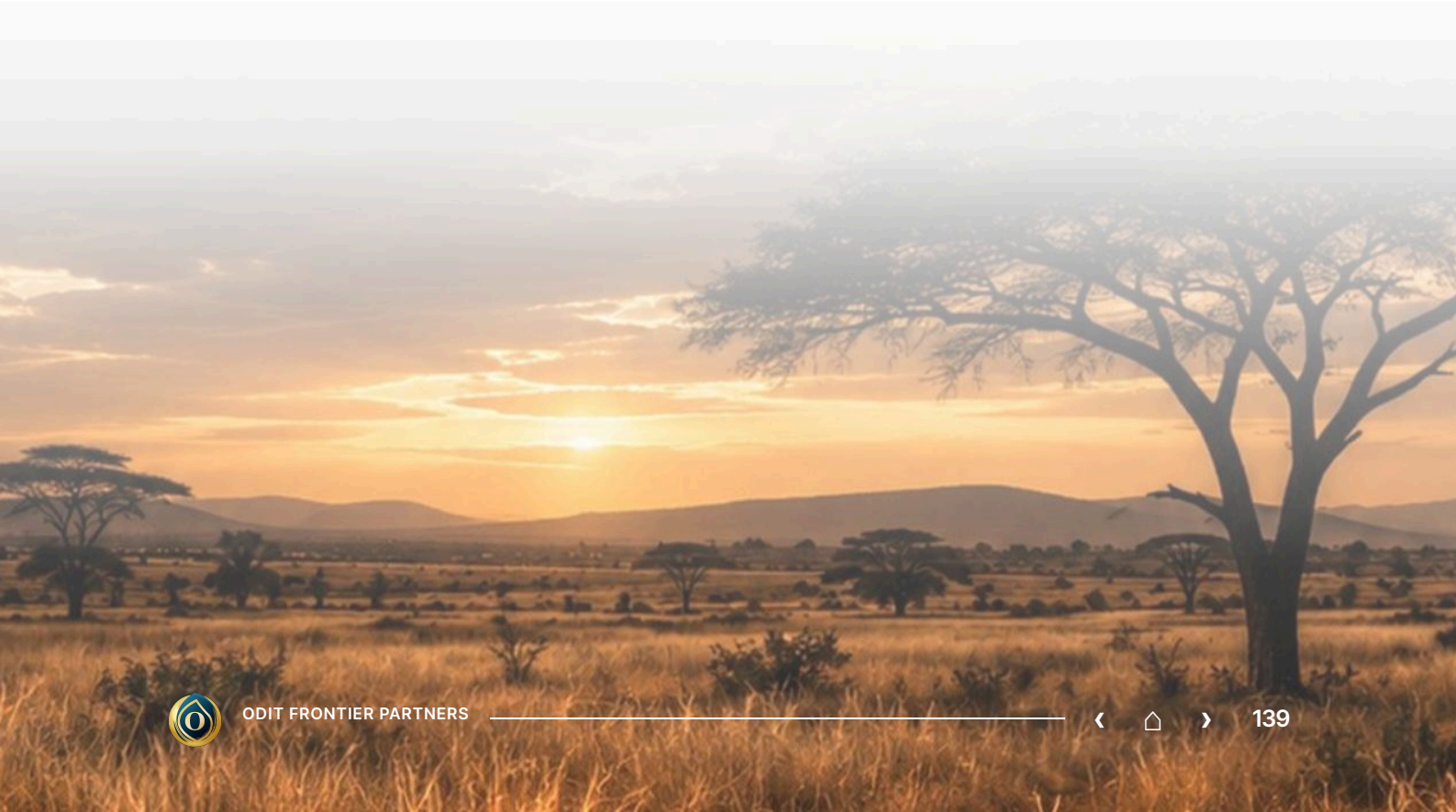
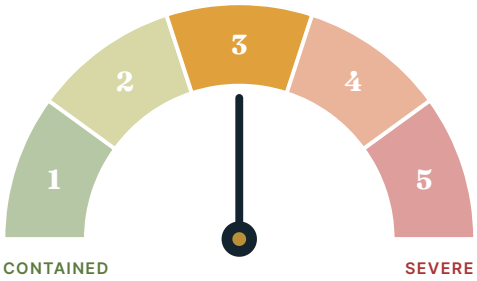


Table F5.6 OFP REDEMPTION STRESS STAGES: WHERE THE PROXY MARKET STOOD ON 2 NOVEMBER 2026

NOTE Liquidity stress high, structural stress significant, systemic stress not established. Redemption limits contain realised outflows; the liquidity mismatch remains unresolved. Stage readings are OFP's, from the Private Capital Markets Intelligence Briefing PCMIB-001. The July figure of about 10.3% comes from a different survey and is not directly comparable with the October same-store figures. US$8.2bn is estimated unmet third-quarter requests, not necessarily a contractual redemption queue. BDC: business development company, a vehicle that lends to private companies.



WHERE THE PROXY MARKET STOOD, 2 NOVEMBER 2026

Stage 3: Persistent unmet demand

US$13.8bn third-quarter requests

US$5.6bn paid, roughly 40%

US$8.2bn estimated unmet

Next test: Stage 4, asset sales and NAV pressure

Stage	What marks it	Reading
1 Elevated requests	Withdrawal requests exceed ordinary repurchase capacity	
2 Limits bind	Gates and pro-rata fulfilment applied	
3 Persistent unmet demand	Unmet requests continue across quarters	Where the proxy market stood at 2 November 2026
4 Asset sales and NAV pressure	Discounted asset sales; net asset value marks under pressure	The next critical test: whether sustained unmet demand and weakening subscriptions turn into discounted asset sales
5 Systemic contagion	Widespread forced sales, collapsing net asset values, broader contagion	Not established

SOURCE Odit Frontier Partners, Private Capital Markets Intelligence Briefing PCMIB-001, Evergreen private credit funds, read as at 2 November 2026.

The run dynamic is not a metaphor supplied by this note. The Financial Stability Board, reporting on 6 May 2026, observed that meeting redemption requests "helped manage fund liquidity" but "may also have stimulated further redemption pressures" (page 31), and that perceived or actual stale valuations "may create a first-mover incentive during stress events" (page 25).[81] The International Monetary Fund, in April 2026, estimated that under moderate stress the liquidity buffers of these vehicles exhaust within five to seven quarters.[82] On scale, the IMF's framing is one of present containment with a prospective warning: "so far, the footprint of semiliquid vehicles in the direct-lending ecosystem is limited to about one-fifth of all direct-lending loans, but as private credit expands further to retail investors, its slow-moving valuations and illiquidity may amplify the disruptive effects". The retail channel is where the growth sits; the Financial Stability Board records the retail share of United States private credit assets climbing from virtually zero to around 13% over a decade.[83]

81 Financial Stability Board, Report on Vulnerabilities in Private Credit, 6 May 2026, pages 9, 25 and 31.
82 International Monetary Fund, Global Financial Stability Report, April 2026, chapter 1.
83 As note 81.

The disclosure asymmetry is not marginal. At the end of 2025 the United States market for interval funds, tender offer funds and business development companies held about US$534bn across 452 vehicles, listed business development companies included, against US$140bn five years earlier, with 58 launched in 2025 alone and every one filing continuously with the securities regulator. A single such filing in 2022 disclosed that repurchase requests had exceeded both the 2% monthly and 5% quarterly limits, that about US$1.3bn had been repurchased representing roughly 43% of shares submitted that month, and that only about 0.3% of net asset value remained available the following month. The African counterpart figure for any of that is not small. It is zero.

The African population is also structurally different, which matters for what can be inferred. Nigeria's flagship perpetual infrastructure vehicle describes itself in its own investor report as a closed-ended investment trust, with exit by secondary sale rather than redemption. The regional MSME investment fund for sub-Saharan Africa is a closed-ended investment company with variable capital whose share classes redeem at tranche maturity. Both solve the mismatch by removing the redemption right rather than by managing it. Morocco's OPCI sector, at 65 vehicles and about MAD 134bn of net assets at the end of 2025, is the largest genuinely open-ended-style African private real estate market, and its regulator publishes vehicle counts and assets under management but nothing about flows. The best African disclosure found, a Jersey-domiciled open-ended private debt vehicle managed from South Africa, publishes notice periods, dealing dates and the existence of both gating provisions and a liquidity facility, but never how much was requested, whether a gate was used, or how large the facility is. It publishes the terms in detail and the behaviour not at all.

The regulators have not filled the gap. Kenya's 2023 collective investment scheme regulations require a manager to redeem on any dealing day and pay within three days, while permitting a special fund to hold up to 80% in alternatives, with no public liquidity reporting attached. The South African Reserve Bank's 2026 financial stability review mentions private-credit liquidity mismatch only as a global vulnerability, in its executive summary and its review of global developments. The IMF and the Financial Stability Board both analyse semi-liquid vehicles at length, and neither offers an African analysis beyond South Africa.[84]

Africa does have two cautionary precedents, and they should be read for what they are. In Kenya, a fund manager's high-yield products drew more withdrawal requests than incoming money, withdrawals were partially stopped, an administrator was appointed and the schemes were ordered into liquidation by the High Court of Kenya in January 2023. In Ghana in November 2019 the securities regulator revoked 53 fund management licences, followed by a state bailout. Both are enforcement records rather than fund disclosure, and both largely involved products outside the regulated perimeter. They show what happens when redeemable liabilities meet illiquid assets in a thin market. They cannot show how disclosed evergreen architecture performs, because none was disclosed.

The closest completed episode in the proxy market cleared. Following the first gatings by the two largest non-traded real estate sponsors in late 2022, Stanger data reported in October 2025 put roughly US$56bn of redemptions fulfilled sector-wide with about US$1bn left in the queue, leaving under 2% of requests outstanding within about three years.[85] The structure rationed, and it held. One vehicle accounts for almost all of the remainder, and its own filings set out the sequence: Starwood's non-traded REIT disclosed a reduction in its monthly repurchase cap from 2% to 0.33% of net asset value from May 2024 and in its quarterly cap from 5% to 1% from July, borrowings of more than US$1.3bn against a US$1.55bn unsecured facility, and, in April 2026, the suspension of most repurchases, with death, qualifying disability and accounts under US$5,000 continuing.[86] Nearly the entire residual queue in the Stanger figures is that single vehicle.

84 As note 81.
85 Robert A. Stanger & Co. data via AltsWire, May 2026, and via Bisnow, 10 October 2025.
86 Starwood REIT Supplement No. 4, 14 June 2024, and 424B3 prospectus supplement, 29 April 2026.

The record shows how African vehicles handle the question: by not making the promise. Of 35 register records on evergreen, semi-liquid, perpetual or continuation structures, none is an African vehicle offering periodic redemption. Table F5.7 lists the routes out that African vehicles use instead, and Table F5.8 the cases from the record by scene.

Table F5.7 HOW AFRICAN VEHICLES OFFER LIQUIDITY WITHOUT PROMISING REDEMPTION

NOTE The African vehicles found use permanence, a listing or a one-off secondary instead of a redemption right.

Vehicle	What it is	How an investor gets out	Source
Zafiri, managed by Inspired Evolution	Blended permanent-capital vehicle, US$176m at commercial launch in June 2026; IFC disclosed a US$120m investment	No end date. No redemption terms disclosed	OFP LinkedIn Intelligence Register
Creation Yield Fund, Creation Capital	Listed private credit vehicle on the Cape Town Stock Exchange, targeting R3bn; initial R300m issue anchored by a South African pension fund	Liquidity rests on the listing rather than on redemptions	OFP LinkedIn Intelligence Register
Sango Capital continuation vehicle	Residual assets of Sango's inaugural fund moved into a continuation vehicle, described as the first such transaction in African private-market secondaries	A one-off secondary route for the inaugural fund's investors; terms not disclosed	OFP LinkedIn Intelligence Register
Ethos Capital	Johannesburg-listed permanent-capital vehicle	Shareholders sell on the exchange; the vehicle itself does not redeem	As cited in Force 03

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F5.8 CASES FROM THE RECORD FOR FORCE 05, BY SCENE: AT WORK AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
1	**At work:** An evergreen emerging-markets private debt vehicle from BlueOrchard and IFC	c. Oct 2026	A vehicle targeting US$2bn, with predefined subscription and redemption windows, reached a US$300m first close anchored by Tokio Marine. It targets pension funds, insurers and sovereign wealth funds.	The semi-liquid promise is now being offered on emerging-market credit, which is where African exposure sits.	Africa Digest News, via LinkedIn.

Scene	Case	Date	What the record shows	What it shows here	Source
2 and 3	**At work:** Redemption limits in developed-market semi-liquid credit	Nov 2025 to Apr 2026	A commentator notes that the US$450bn semi-liquid private credit system has not been through a recession and that 5% quarterly caps prevent fire sales but not a cascade of redemptions. A proposed merger of a Blue Owl non-traded BDC into its listed fund could have left investors facing about a 20% loss, with redemptions suspended. The merger was called off on 19 November 2025; in February 2026 Blue Owl announced that the non-traded fund would no longer take redemption requests.	The mechanism this force describes, observed where disclosure exists.	Private Markets Insights and the Financial Times, via LinkedIn; Blue Owl announcements of November 2025 and February 2026, via Morningstar.
3	**At work:** Evergreen returns from marking up secondary discounts	Feb 2026	A practitioner estimates that 70% to 80% of certain evergreen private equity returns may come from marking up secondary discounts rather than from value creation.	An opinion, not a measurement. It names the valuation risk that sits under a liquidity promise.	Private Markets Insights, via LinkedIn.
4	**Limits:** A listed private credit vehicle on the Cape Town Stock Exchange	Jul 2026	Creation Capital launched the Creation Yield Fund, targeting R3bn, with an initial R300m issuance anchored by a major South African pension fund. The listed note is designed to fit Regulation 28 limits.	An African route to private credit in which liquidity rests on a listed instrument rather than a redemption promise.	Africa Investor Review, via LinkedIn.
4	**Limits:** Liquidity labels do not change liquidity	Jul 2026	HarbourVest's chief executive warns that liquidity labels on evergreen vehicles do not change the liquidity of what they hold.	A view from inside the industry that agrees with this force's limit.	LinkedIn post.

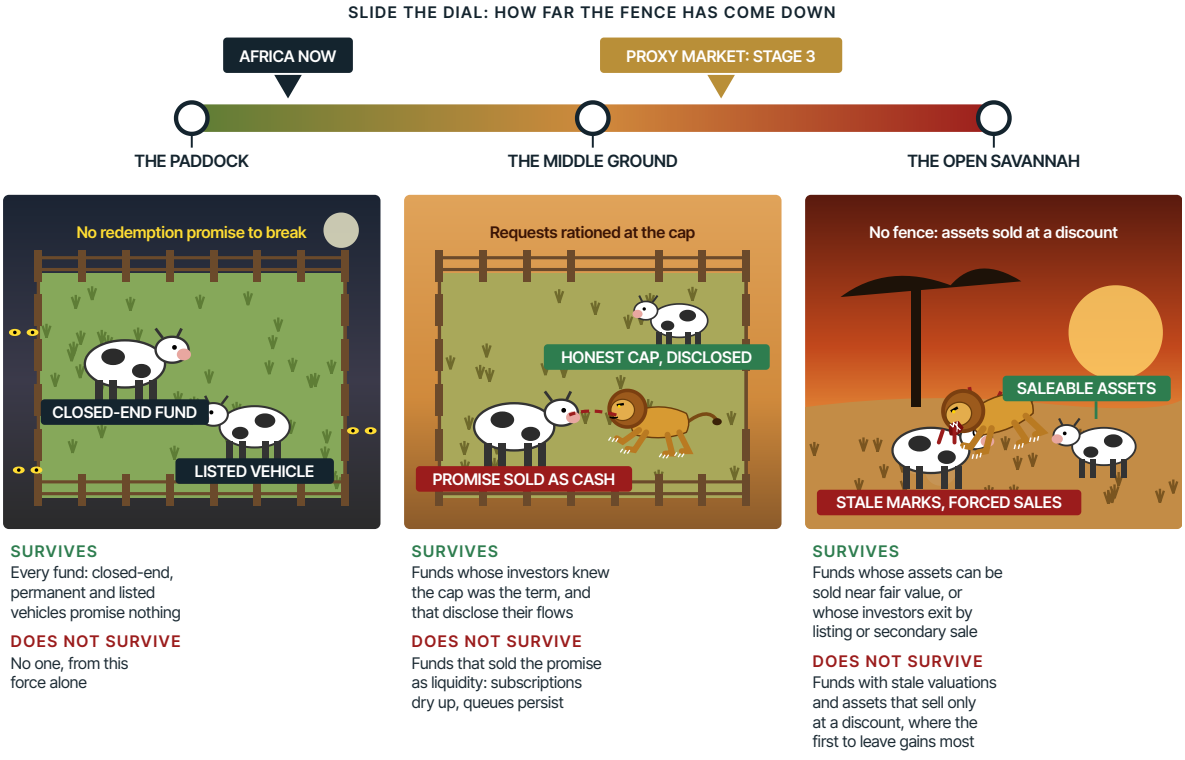
SOURCE As listed in the Source column of the table.

5 Sliding the dial: who survives Force 05, and who does not

How much damage Force 05 does depends on how far the fence has come down between what a fund promises and what its assets can deliver. In the paddock a fund makes no redemption promise, so there is nothing to break. In the middle ground semi-liquid promises are sold and, under stress, rationed at the cap. On the open savannah rationing turns into discounted asset sales and pressure on net asset value. Figure F5.4 slides the dial across the three positions and shows, for each, who survives and who does not; Table F5.9 gives the full wording. The markers show where this note reads the market now: African vehicles in the paddock, offering no periodic redemption, and the developed-market proxy at Stage 3, past the middle ground but short of asset sales.

Figure F5.4 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 05 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the markers are this note's reading as at November 2026.



SURVIVES
Every fund: closed-end, permanent and listed vehicles promise nothing

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Funds whose investors knew the cap was the term, and that disclose their flows

DOES NOT SURVIVE
Funds that sold the promise as liquidity: subscriptions dry up, queues persist

SURVIVES
Funds whose assets can be sold near fair value, or whose investors exit by listing or secondary sale

DOES NOT SURVIVE
Funds with stale valuations and assets that sell only at a discount, where the first to leave gains most

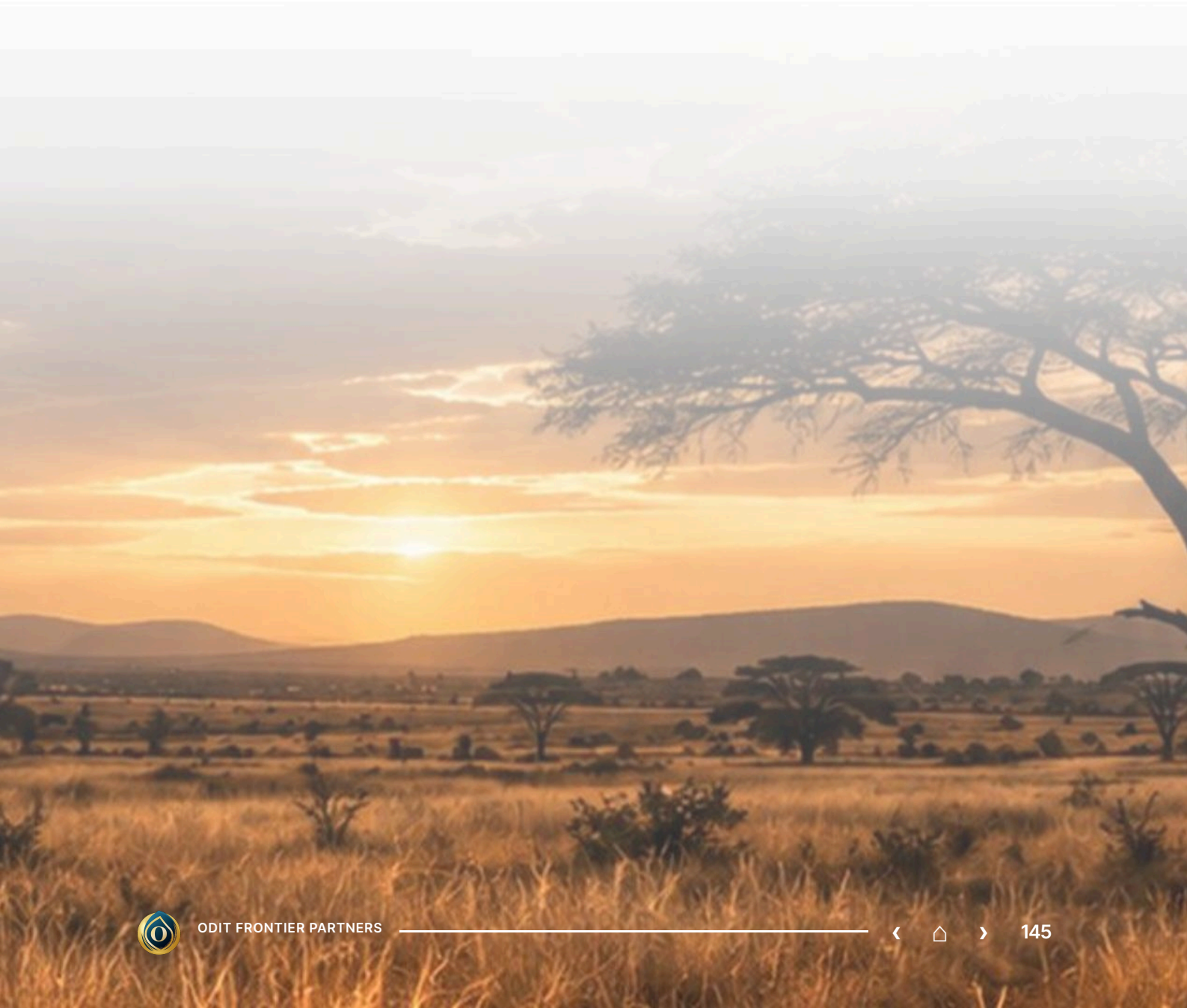
SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F5.9 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE PROMISE, WHO SURVIVES FORCE 05 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F5.4. All three right-hand columns are this note's proposition.

Position	What happens to the promise	Survives	Does not survive
The paddock Fence holds	No redemption promise is made: funds are closed-end, permanent or listed.	Every fund; there is no promise to break.	No one is forced out by this force alone.
The middle ground Fence has gaps	Semi-liquid promises are sold; under stress the cap binds and requests are paid in part.	Funds whose investors understood the cap as the operative term, and that disclose requests, caps used and flows.	Funds that sold the promise as liquidity. Subscriptions dry up, queues persist and fundraising falls, as it did by 59% in non-traded business development companies.
The open savannah No fence	Rationing turns into discounted asset sales and pressure on net asset value: Stage 4 and beyond.	Funds whose assets can be sold near fair value, and those whose investors exit through a listing or a secondary sale rather than a redemption.	Funds with stale valuations and assets that sell only at a discount, where the first to leave gains at the expense of those who stay.

SOURCE Odit Frontier Partners.



6 What Force 05 leaves the African private equity fund

The fitness question Force 05 leaves is about the promise. Does the liquidity this vehicle offers hold when a large number of investors ask for it at the same time?

What would let this force be tested in Africa is disclosure that does not yet exist. It would take an African evergreen vehicle publishing its redemption requests, the share of each window it paid, any use of a gate, and its subscription and redemption flows. The register is the place this note will look for each.

In short, the global experiment in selling private credit with a promise of periodic access has reached its first real test, and the promise has been rationed rather than broken. In November 2026 the proxy market stood at Stage 3: unmet requests persisting across quarters, with asset sales the next test. African vehicles have so far avoided the promise rather than tested it, and a market that imports the wrapper without the disclosure would learn of a mismatch through enforcement rather than reporting.





FORCE 06 OF 09

HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the left horn of the formation, Figure 1.8

Development-Capital Compression

Development finance shrinking at its source, in the donor countries, and reaching African funds in smaller amounts and on stricter terms

Attacks Institutional Runway: how long development finance keeps backing the fund on the terms that formed it

WHAT THIS COVERS

The support of development finance institutions: capital supplied directly to the fund, a development purpose accepted as enough reason to fund it, patience underwritten by a public mandate, and a runway long enough to put off the question of whether the fund can stand on commercial terms.

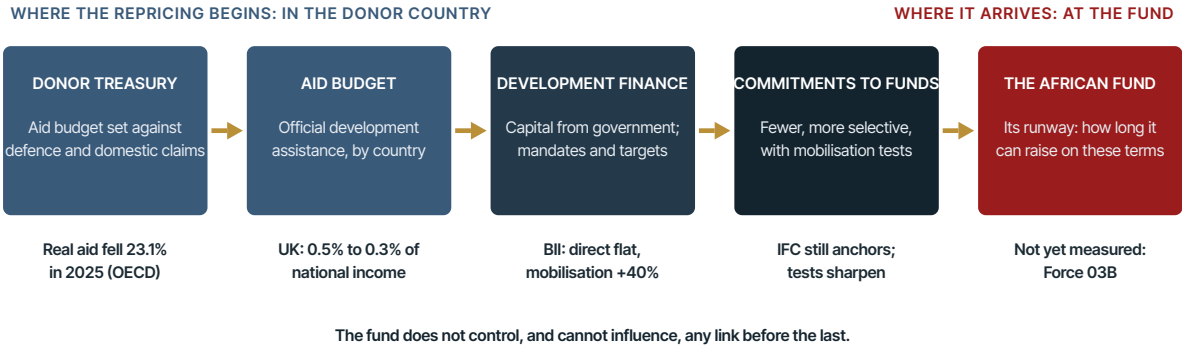
> The capital that gave the institution a longer runway is being repriced at its source, and the terms on which it is available are changing faster than the institutions built on it.

1 What Force 06 is: the capital behind the runway, repriced where it comes from

Force 06, Development-Capital Compression, is the fall in development capital at its source, in the budgets of donor governments, and the stricter terms on which what remains reaches African funds. Development finance institutions are owned by governments and draw their capital from them. When a donor government cuts its aid budget, or sets it against defence, the cut travels down a chain the fund manager does not control: from the treasury, to the aid budget, to the development finance institution, to its commitments to funds, and finally to the fund. Figure F6.1 draws that chain, and Table F6.1 sets the force out in one line.

Figure F6.1 WHERE FORCE 06 COMES FROM: THE CHAIN FROM A DONOR TREASURY TO THE AFRICAN FUND

NOTE Each link is explained in Part 3, and the figures below the boxes are set out in Part 4. Blue: the donor country. Red: the African fund.



SOURCE Odit Frontier Partners. Figures as cited in Part 4.

Table F6.1 FORCE 06 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 06, Development-Capital Compression
Who or what attacks	Donor governments resetting their aid budgets, often to fund defence, and the development finance institutions they own, which pass the change on as stricter terms
What it takes over	Nothing is absorbed: no rival takes the fund's function; the support beneath it shrinks
Where in the fund	The investor base: in Species A the development finance investors among the limited partners
What the fund loses	Runway: the time development capital gave it to show it could stand on commercial terms
Kind of force	Compression: the support falls away, with nothing taking its place

SOURCE Odit Frontier Partners.

African private capital developed with a large and deliberate presence of capital carrying development objectives alongside financial ones. That composition is not an accident and it is not a criticism. Publicly mandated investors are meant to go where commercial capital will not, and for two decades that is what they did.

The mechanism of this force is that the supply is being repriced at origin, and repricing begins in the donor country rather than in Africa. Aid budgets sit inside national budgets, and those budgets are now being asked to fund defence and security from the same envelope.[87] When a treasury reallocates, the effect travels down the chain: less concessional capital, allocated more selectively, on terms that ask the recipient to bring commercial money with it.

The difference in kind is worth naming, because it changes what a response can be. Six of the other eight are subsumptions, Force 05 is a contradiction, and Force 08 is the second compression. A function the fund performed is absorbed, replicated or made unnecessary by something else, and the institution loses a reason to exist. This one is a compression. Nothing is absorbed and no rival takes the function. The

87 ODI, Aid and defence: a data story of two global targets, 3 March 2025.

pressure feeding the institution simply falls, and with it the cushioning that allowed a longer adaptation period. A subsumption is answered by demonstrating that the function is still scarce. A compression cannot be answered that way at all, because nothing has taken the function. It is answered only by needing less of the pressure, or by finding another source of it, which is the subject of the force that follows.

The pressure therefore does not fall on price, necessity, proof, speed or liquidity. It falls on the institutional runway itself. An institution that reached its third, fourth or fifth vehicle inside a supportive capital environment may be asked, mid-life, to demonstrate that it can attract capital whose principal test is commercial. That is a different question from any asked elsewhere in this note, and it arrives from a direction the fund does not control and cannot influence.

2 What Force 06 attacks, and where that sits in the two species

Force 06 attacks runway: how long development finance keeps backing a fund manager on the terms that formed it. Runway is made of five parts: capital supplied because the market needed building, a development purpose accepted as enough reason to fund, capital supplied directly rather than alongside commercial money, patience underwritten by a public mandate, and the length of time all of this lets the manager put off the commercial question. In Species A these sit with one group of limited partners, the development finance investors. Figure F6.2 marks where, and Table F6.2 defines each part and places it in both species.

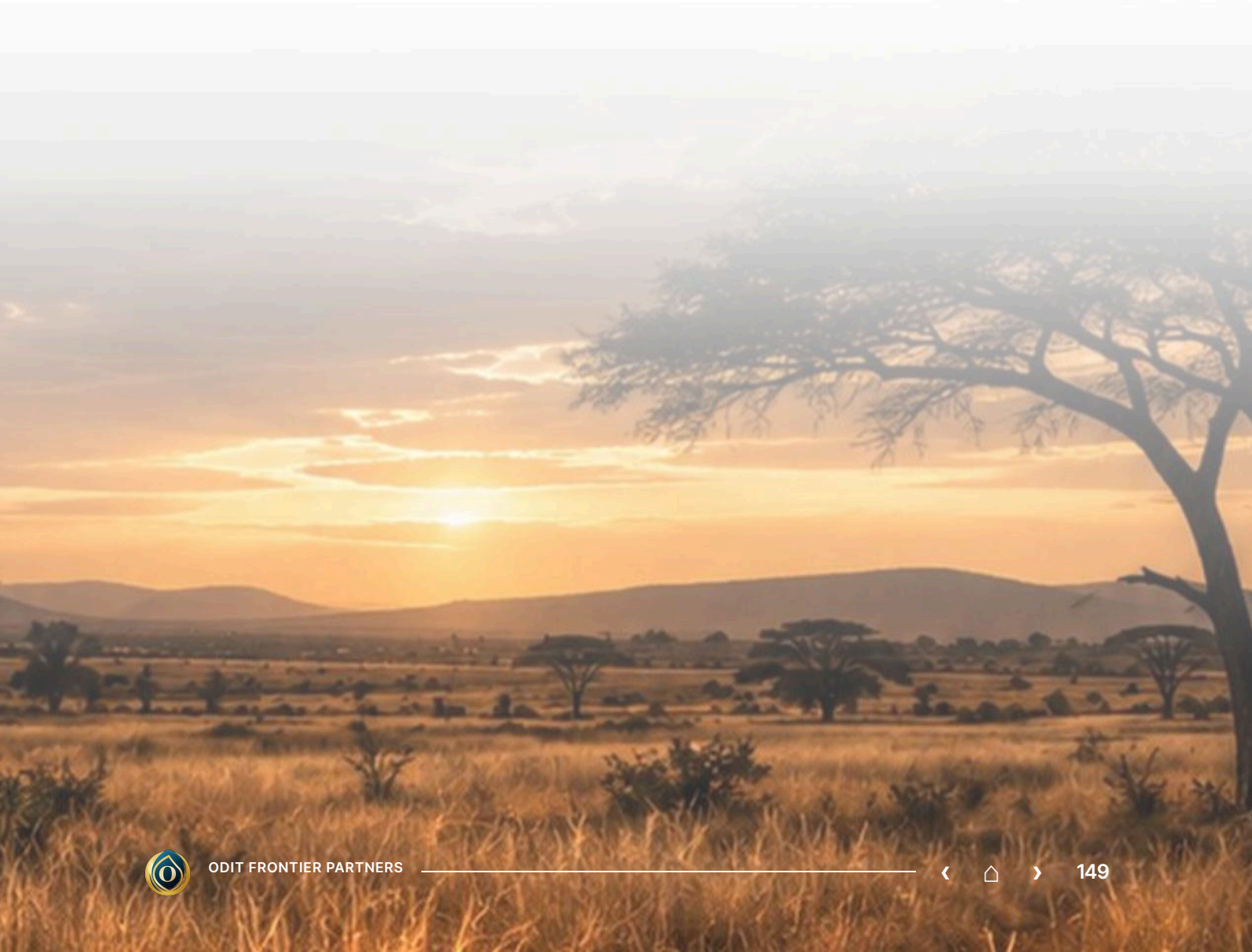
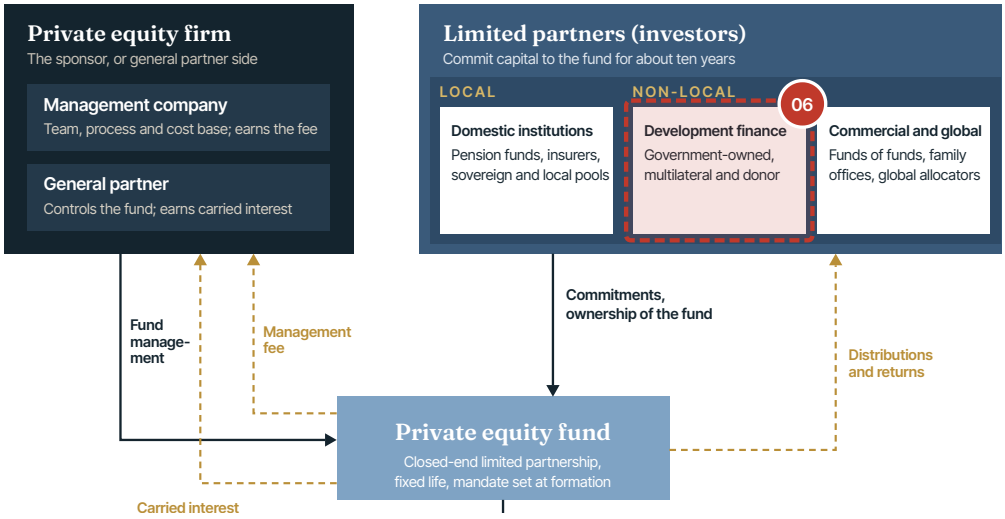


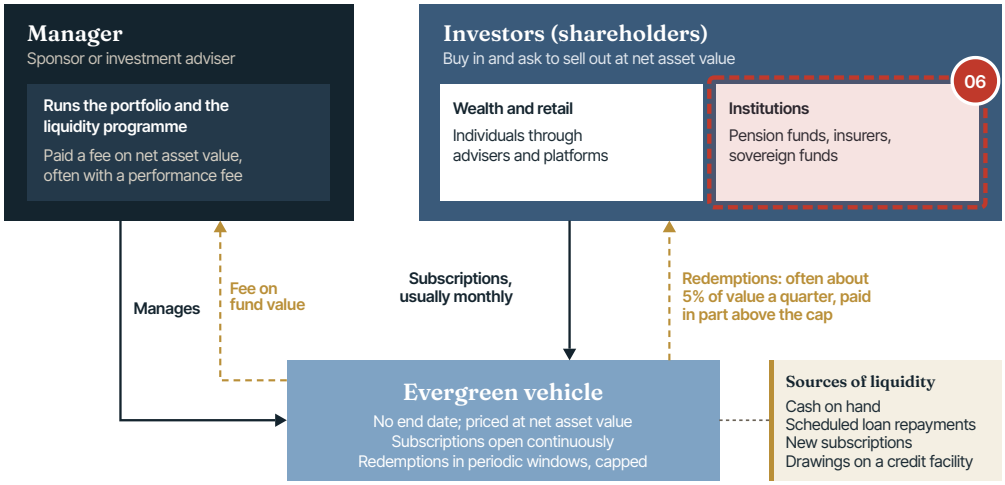
Figure F6.2 WHERE FORCE 06 ATTACKS: THE DEVELOPMENT FINANCE INVESTORS IN SPECIES A, AND THE INSTITUTIONS IN SPECIES B

NOTE Species A is shown first because the force attaches there. Species B draws no development finance investor, so the force reaches it only where development capital sits among the institutions.

SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: THE DEVELOPMENT FINANCE INVESTORS AMONG THE NON-LOCAL LIMITED PARTNERS



SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: THE INSTITUTIONS, THE ONLY PLACE DEVELOPMENT CAPITAL COULD SIT IN THIS SPECIES



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F6.2 WHAT FORCE 06 ATTACKS: EACH PART OF RUNWAY, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F6.2. The five parts are the left-hand column of the collision map, Table F6.3, restated.

Part of runway	What it is	In Species A	In Species B
Capital because the market needed building	Money committed partly to build a market that commercial capital would not yet enter	Development finance commitments, often the first in a fund	Not drawn: its investors are wealth, retail and institutions
Development purpose as reason enough	A fund backed because of the jobs, firms or markets it supports, not only its expected return	The basis on which development finance investors commit	Not the basis of a redemption-led vehicle
Direct supply	The provider puts in its own capital rather than requiring others to come in alongside	Development finance commitments to the fund	Not applicable
Patience	Willingness to wait for returns and to back early vehicles, underwritten by a public mandate	Long commitment, follow-on into successor funds	Not applicable: investors may ask to leave each quarter
Runway length	How long all of the above lets a manager put off proving it can raise on commercial terms	Set by the next fundraise: will development finance re-up?	Not applicable

SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

3 How the attack happens, scene by scene

Force 06 reaches the fund in four scenes, of which the first two are documented, the third partly, and the fourth is this note's proposition. Figure F6.3 shows the chain: donor treasuries reset aid budgets, development finance institutions pass the change on as mobilisation targets, less and more selective capital reaches funds, and the fund manager must raise without the runway it was formed on. Each scene is explained below the figure, with the signs that show it is under way.

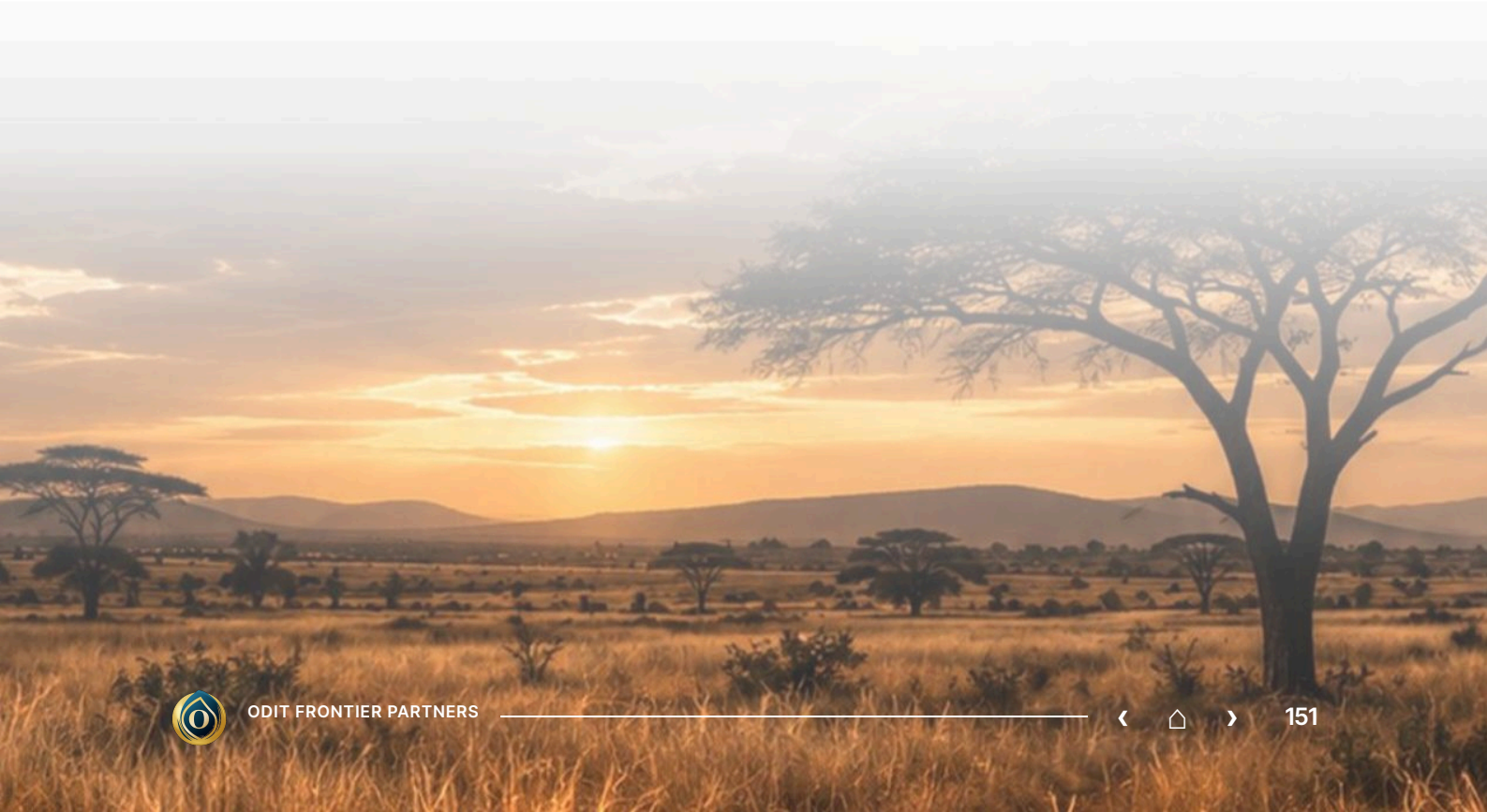
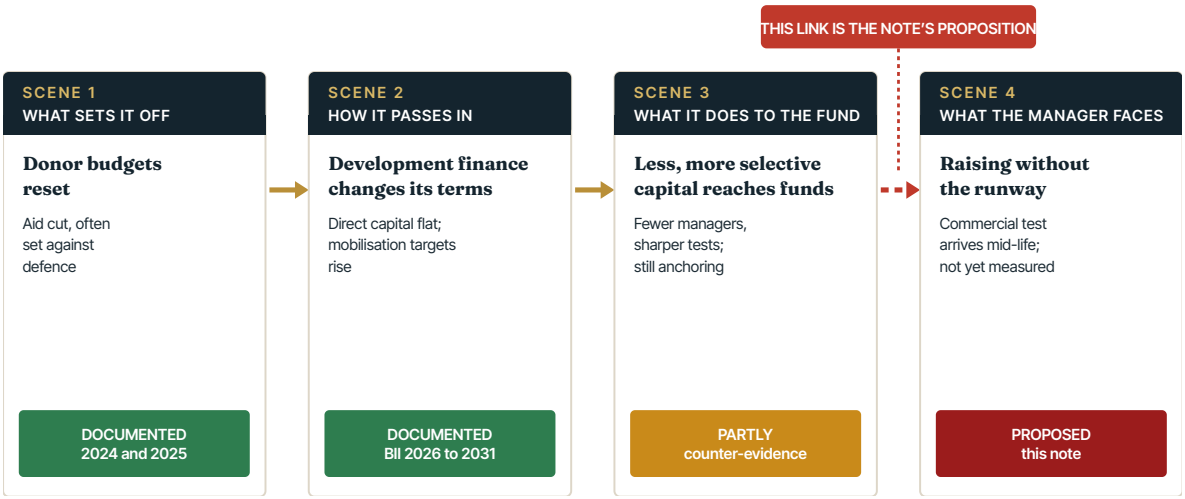


Figure F6.3 HOW FORCE 06 REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented, with substantial counter-evidence. Red: this note's proposition. The evidence for each scene is set out in Part 4, Table F6.4.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: DONOR BUDGETS ARE RESET

The repricing begins in the donor country, when a treasury sets the aid budget against other claims. Aid budgets sit inside national budgets, and those budgets are now being asked to fund defence and security from the same envelope. The sign of this scene is aid falling in the home countries of the development finance institutions, and a government saying why. Both are documented: the members of the OECD development assistance committee cut aid by 23.1% in real terms in 2025, and the United Kingdom cut its aid to fund defence in terms. Part 4 follows each home country over ten years.

SCENE 2 · HOW IT PASSES IN: DEVELOPMENT FINANCE CHANGES ITS TERMS

The development finance institution passes the change on less as a cut than as a new condition: bring commercial money with you. Aid is not the same money as development finance capital, which comes from government capital decisions and from the institutions' own balance sheets. The link between the two is that both are set by the same treasury. The sign of this scene is a provider planning for other investors' money to make up a much larger share of what it puts to work, which British International Investment's 2026 to 2031 strategy does.

SCENE 3 · WHAT IT DOES TO THE FUND: LESS, MORE SELECTIVE CAPITAL REACHES FUNDS

Where a provider is judged on the commercial money it brings alongside, it concentrates on fewer managers, in fewer markets, against sharper tests. The sign of this scene would be fewer African fund managers receiving development finance commitments, or smaller ones. The counter-evidence is strong: development finance institutions are still anchoring African funds at scale in 2026, and Part 4 sets that out alongside the case for.

SCENE 4 · WHAT THE FUND MANAGER FACES: RAISING WITHOUT THE RUNWAY

The fund manager meets, mid-life, the question the runway let it put off: can it raise on commercial terms? Table F6.3 sets the environment in which the manager was formed against the one it now raises into. The sign of this scene would be a manager's successor fund raised with a smaller development

finance share, or not raised at all. Neither has been documented in the sources reviewed, which is why this scene is a proposition and links to Force 03B, the proof of commercial graduation.

Table F6.3 COLLISION MAP: THE ENVIRONMENT THAT FORMED THE FUND MANAGER, AGAINST THE ENVIRONMENT IT NOW RAISES INTO

NOTE The left column is the runway as it was; the right is the runway as it is becoming. Each row is one part of runway from Table F6.2.

The environment the institution was built in	The environment it raises into now
Capital available partly because the market needed building	Capital allocated against sharper additionality and mobilisation tests
Development purpose as a sufficient reason to be funded	Development purpose as a necessary but no longer sufficient reason
Providers supplying capital directly to the vehicle	Providers expected to mobilise commercial capital alongside their own
Patience underwritten by a public mandate	Patience competing against defence, migration and domestic fiscal claims
A runway long enough to postpone the commercial question	A runway whose length is set outside the institution and is shortening

SOURCE Odit Frontier Partners.

4 The evidence, scene by scene

The evidence for Force 06 is strongest at its source and thinnest where it reaches the fund. Table F6.4 sets out, for each scene, what would have to be true, the evidence for and against, and its status. Figure F6.4 shows the fall in aid across all donors, Figure F6.5 and Table F6.5 follow each development finance institution's home country over ten years, and Tables F6.6 and F6.7 set out what this note's register shows.

Table F6.4 THE EVIDENCE FOR FORCE 06, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; partly means documented in part, with substantial counter-evidence; proposed means this note's argument.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Donor budgets reset	Aid falls in the home countries of development finance institutions, and is set against other claims	Aid down 23.1% in real terms in 2025 across donors. 11 of 16 home countries below their ten-year peak in 2025. United Kingdom: 0.5% to 0.3% of national income to fund defence	Netherlands, Norway, Denmark, Spain and Italy at their ten-year peak in 2025. Contributions to the World Bank and regional development banks rose	DOCUMENTED
2. Terms change	Providers ask funds to bring commercial money alongside	British International Investment: £7bn to £8bn of its own commitments and up to £7.5bn mobilised, about £15bn in all, up about 40%. World Bank Group: record US$112bn mobilised in fiscal 2026	Aid is not development finance capital; the link runs through government capital decisions not traced here	DOCUMENTED one provider

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
3. Less, more selective capital	Fewer or smaller commitments to African fund managers	ODI: repeated concessional capital risks entrenching dependency. A mechanism, not a measurement	DPI's fourth fund: IFC up to US$75m, Proparco US$42m, DEG US$50m. Intermediated equity about 33% of BII's portfolio, end-2024. 49 of 58 register funds name development capital	PARTLY
4. Raising without the runway	A successor fund raised with less development capital, or not raised	None found. No dataset of investor composition by vintage for African managers was identified	No case of a manager failing to raise for this reason was identified	PROPOSED

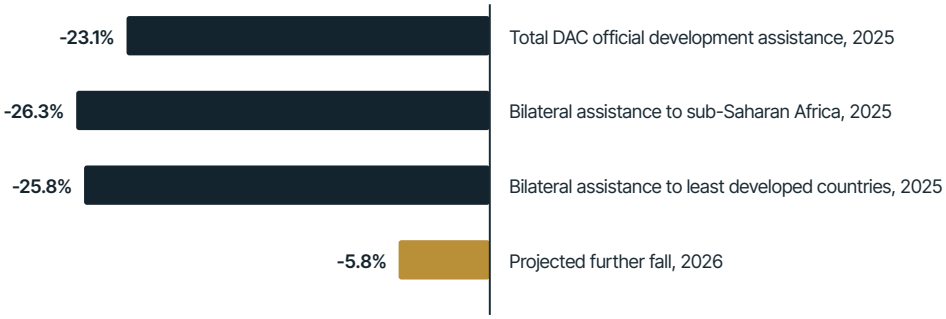
SOURCE As cited in the text of this part, Figures F6.4 and F6.5 and Tables F6.5 to F6.7.

SCENE 1 · THE SOURCE: AID BUDGETS IN DONOR COUNTRIES

Official development assistance from the members of the OECD development assistance committee fell 23.1% in real terms in 2025 to US$174.3bn, the largest annual contraction on record and the second consecutive year of decline. Bilateral assistance to sub-Saharan Africa fell 26.3% and to least developed countries 25.8%. The OECD projects a further fall in 2026: 5.8% in its April preliminary release and 6.9% in its June projections. The five largest providers, Germany, the United Kingdom, France, Japan and the United States, accounted for 96% of the 2025 decline, and the United States alone fell 56.9% after the closure of its development agency and the transfer of its functions into its foreign ministry.[88]

Figure F6.4 OFFICIAL DEVELOPMENT ASSISTANCE ACROSS ALL DONORS, REAL CHANGE ON THE PRIOR YEAR

NOTE OECD preliminary 2025 data published April 2026, and OECD projections published June 2026. The 2026 figure is a projection and is shown in gold to separate it from the recorded falls.



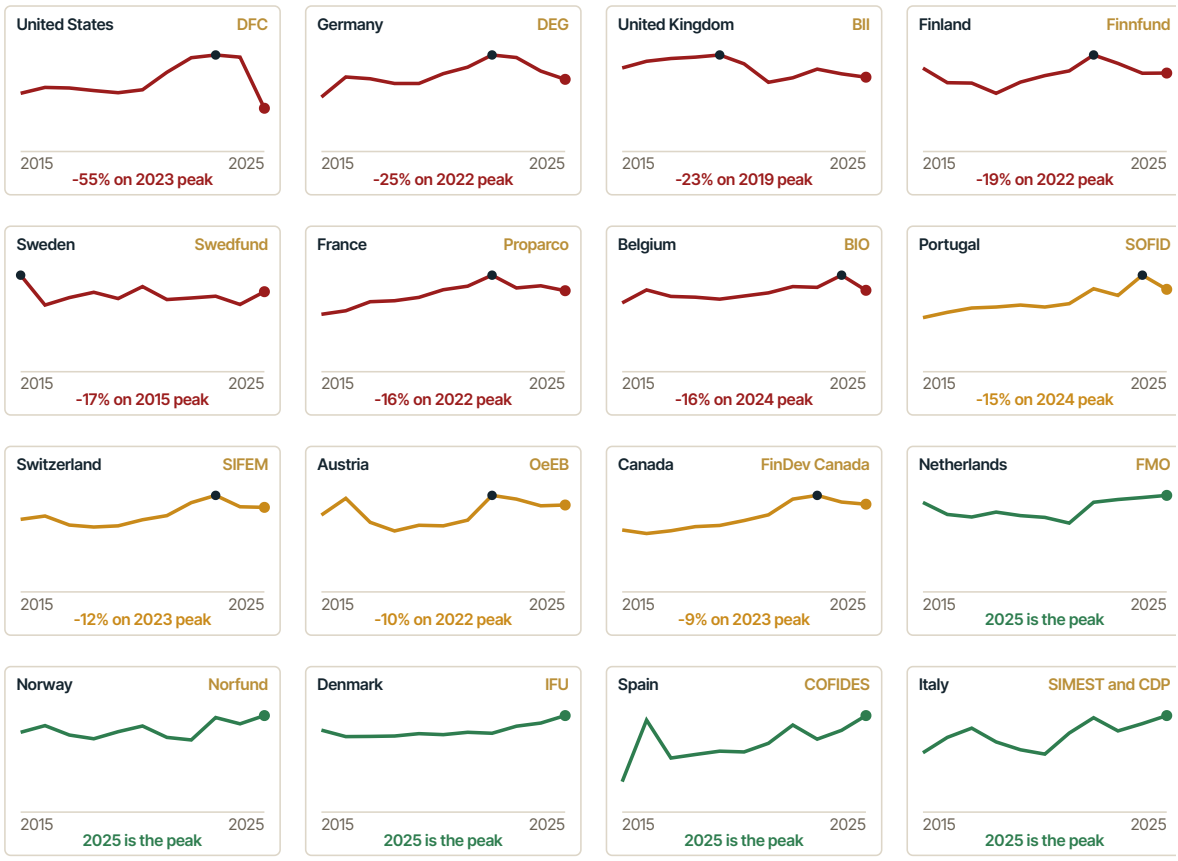
SOURCE OECD, preliminary 2025 ODA data and press release, April 2026, and ODA projections for 2026 and the near term, June 2026.

A single year shows the size of the fall; ten years show whether it is a dip or a turn, and which development finance institutions sit behind it. Figure F6.5 follows aid from 2015 to 2025 in the home country of each of sixteen development finance institutions, marking each country's peak year and how far 2025 stands below it. Table F6.5 gives the figures, with the change in real terms and aid as a share of national income.[8][89][90][91]

88 OECD, preliminary 2025 ODA data and press release, April 2026, and ODA projections for 2026 and the near term, June 2026.
89 OECD, Preliminary official development assistance levels in 2025, DCD(2026)8, April 2026.
90 OECD, Preliminary official development assistance levels in 2024, DCD(2025)6, April 2025.
91 ONE Campaign, compilation of OECD Development Assistance Committee official development assistance data, 2015 to 2023.

Figure F6.5 AID FROM THE HOME COUNTRY OF EACH DEVELOPMENT FINANCE INSTITUTION, 2015 TO 2025: PEAK YEAR AND 2025 AGAINST THE PEAK

NOTE Official development assistance in current US dollars. Each panel has its own scale, so the panels show shape, not size; Table F6.5 gives the figures. Ordered by the fall from peak.



SOURCE OECD, DCD(2026)8 for 2025 and DCD(2025)6 for 2024; ONE Campaign compilation of OECD data for 2015 to 2023. Peaks and falls calculated by Odit Frontier Partners.

Table F6.5 AID FROM THE HOME COUNTRY OF EACH DEVELOPMENT FINANCE INSTITUTION: 2015, PEAK, 2025, REAL CHANGE AND SHARE OF NATIONAL INCOME

NOTE Current US dollars, so part of each change reflects exchange rates; the real changes, from the OECD, are the measure of volume. From 2018 the OECD counts grants and the grant element of loans, earlier years count net flows, so the series is not strictly comparable across 2018. 2025 is preliminary. Aid is not development finance capital: it is shown because both are set by the same treasury. The 2022 and 2023 peaks are not broken down here by what the aid was spent on. Japan and the European Union institutions are not shown.

Institution	Home country	2015, US$bn	Peak, US$bn (year)	2025, US$bn	2025 against peak	Real change 2024	Real change 2025	Aid as % of national income, 2023 to 2025
DFC	United States	39.0	64.7 (2023)	29.0	-55%	-4.4%	-56.9%	0.24 to 0.09
DEG	Germany	22.0	39.0 (2022)	29.1	-25%	-17.2%	-17.4%	0.82 to 0.56
BII	United Kingdom	19.3	22.3 (2019)	17.2	-23%	-10.8%	-10.8%	0.58 to 0.43
Finnfund	Finland	1.5	1.7 (2022)	1.4	-19%	-12.9%	-5.4%	0.54 to 0.44

Institution	Home country	2015, US$bn	Peak, US$bn (year)	2025, US$bn	2025 against peak	Real change 2024	Real change 2025	Aid as % of national income, 2023 to 2025
Swedfund	Sweden	7.2	7.2 (2015)	6.0	-17%	-13.4%	+9.6%	0.93 to 0.85
Proparco	France	10.3	17.3 (2022)	14.5	-16%	0.0%	-10.9%	0.48 to 0.42
BIO	Belgium	2.3	3.2 (2024)	2.7	-16%	+12.2%	-21.4%	0.44 to 0.37
SOFID	Portugal	0.4	0.7 (2024)	0.6	-15%	+21.3%	-19.3%	0.19 to 0.18
SIFEM	Switzerland	3.9	5.2 (2023)	4.6	-12%	-14.9%	-7.1%	0.60 to 0.46
OeEB	Austria	1.6	2.0 (2022)	1.8	-10%	-9.5%	-6.3%	0.38 to 0.33
FinDev Canada	Canada	5.1	8.0 (2023)	7.2	-9%	-8.1%	-2.3%	0.38 to 0.32
FMO	Netherlands	7.1	7.7 (2025)	7.7	At peak	-2.8%	-4.9%	0.66 to 0.58
Norfund	Norway	4.7	5.7 (2025)	5.7	At peak	-3.8%	+1.7%	1.09 to 1.03
IFU	Denmark	2.9	3.4 (2025)	3.4	At peak	+2.2%	+3.0%	0.73 to 0.72
COFIDES	Spain	1.6	5.1 (2025)	5.1	At peak	+9.0%	+10.7%	0.24 to 0.27
SIMEST and CDP	Italy	4.5	7.3 (2025)	7.3	At peak	+6.7%	0.0%	0.27 to 0.30
	All DAC donors	151.2	223.3 (2023)	174.3	-22%	-7.1%	-23.1%	0.37 to 0.26

SOURCE OECD, DCD(2026)8 and DCD(2025)6; ONE Campaign compilation of OECD Development Assistance Committee data, 2015 to 2023. Peaks and falls calculated by Odit Frontier Partners.

Read over ten years, the fall is recent, concentrated, and not universal. Eleven of the sixteen home countries stood below their ten-year peak in 2025, and in fourteen aid fell as a share of national income between 2023 and 2025. The three largest fell furthest: the United States, home of DFC, by 55% from its 2023 peak; Germany, home of DEG, by 25% from 2022; and the United Kingdom, home of British International Investment, by 23% from 2019. Five countries, the Netherlands, Norway, Denmark, Spain and Italy, were at their peak in 2025. The force is therefore uneven across providers: a fund manager whose development investors come from Germany, the United Kingdom or the United States faces a different source from one backed from Norway or the Netherlands.

The reallocation is explicit rather than inferred, which is what makes this force a structural observation rather than a budget cycle. The United Kingdom announced a reduction in aid from 0.5% to 0.3% of gross national income, roughly £6bn a year, expressly to fund an increase in defence spending to 2.5% of gross domestic product.[92] ODI notes that this is the first occasion on which the two budgets have been so explicitly set against each other, and records that NATO members increased defence budgets by 65% on average between 2018 and 2023 while collective aid sat at 0.37% of gross national income in 2022 and 2023 against a 0.7% target. On announced cuts, ODI's indicative estimate is a 31% reduction in aid volumes across 2024 to 2029: a scenario, not an observed fall.[93]

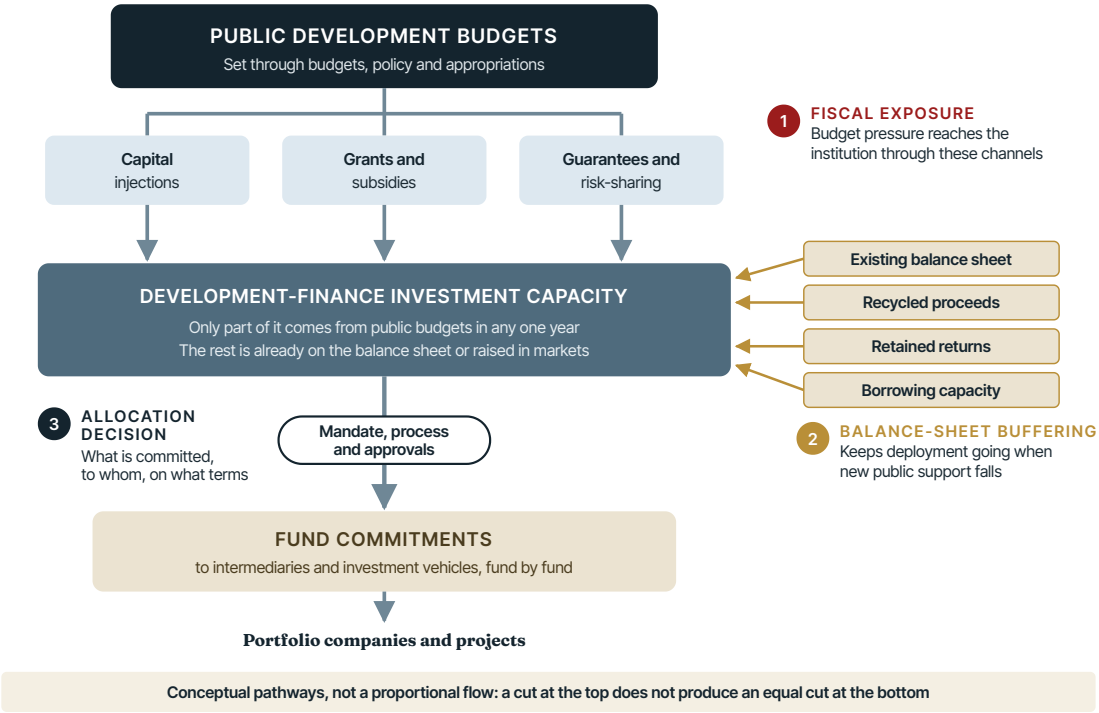
92 House of Commons Library, global aid funding trends, 3 July 2026.
93 As note 87.

SCENE 2 · THE TRANSMISSION: FROM BUDGET TO TERMS

Aid budgets do not reach African funds directly: they pass through development finance institutions whose investment capacity is funded in more than one way. Some institutions receive capital injections from their government's development budget. Others work mainly from their own balance sheet and borrow in capital markets. Most combine these with publicly funded grants, guarantees and risk-sharing, and with the proceeds of earlier investments. What an institution then commits to a fund is decided by its mandate, its investment process and its approvals. Figure F6.6 draws the mechanism: budget pressure reaches the institution through specific channels, the balance sheet buffers part of it, and an allocation decision settles what reaches the fund.

Figure F6.6 FROM PUBLIC DEVELOPMENT BUDGETS TO FUND COMMITMENTS: WHERE COMPRESSION TRANSMITS

NOTE Illustrative. The figure shows the general mechanism, not any one institution or country. Arrows show pathways, not proportions: not every unit of aid finances a development finance institution, and not every commitment by such an institution comes from aid.



SOURCE Odit Frontier Partners, drawing on Independent Commission for Aid Impact, 16 July 2026; Swedfund, 2026; KfW Group, Reporting 2025, DEG; FMO, Funding; European Commission, EFSD+; OECD, Private sector instruments in development finance, methodological notes.

The providers' own figures show both the exposure and the buffer. British International Investment received nearly £6bn in capital contributions between 2015 and 2025, around 4% of UK aid; in each of the next three years it will receive £143m, around 1%. Yet its portfolio reached £6.6bn in 2025 and generates more than £1bn a year in cash to reinvest, even without new contributions.[94] Swedfund is financed by capital injections from Sweden's development cooperation budget and by reflows from its portfolio: in 2025 it received SEK 1.8bn in capital injections and invested about SEK 3.7bn.[95] Of DEG's EUR 2.9bn business volume in 2025, EUR 2.4bn came from its own funds.[96] FMO funds itself in public markets and

94 Independent Commission for Aid Impact, UK aid spending to 2029, 16 July 2026.
95 Swedfund, About Swedfund, and Swedfund annual report 2025: investments drive jobs and growth in a more uncertain world, 1 April 2026.
96 KfW Group, Reporting 2025, DEG.

through private placements, with its notes guaranteed by the Dutch state, which holds 51% of its shares.[97] At European Union level, EFSD+ offers risk-sharing instruments of up to EUR 40bn, provided largely as guarantees through development finance institutions acting as implementing partners: it widens what those institutions can risk rather than adding the same amount of capital.[98]

Aid statistics and fund commitments measure different things. Under OECD rules, a donor's support for private sector instruments can be counted as aid either when it transfers capital to a development finance institution or when that institution makes an eligible investment, and what is counted is a grant equivalent rather than the face value of the financing.[99] A fall in reported aid and a change in what development finance institutions commit to funds are therefore not the same number moving twice.

A cut in aid therefore does not produce an equal cut in development finance commitments to funds. It can reduce new government capital, subsidy and risk-sharing capacity while existing balance sheets keep deploying accumulated and recycled resources. That is why current development finance activity can stay strong even as the terms and capacity for future development-backed fundraising change, and why this force may be hard to see at the level of the fund manager. This is a transmission mechanism and a risk proposition, not evidence that African fund managers have already lost commitments because of aid reductions. The question it leaves is whether the next fund can still attract the patient, risk-tolerant capital that helped the last one close.

The transmission matters more than the total, because a fall in volume could be a cycle while a change in the terms on which capital is supplied is structural. The change in terms is visible in the providers' own strategies. British International Investment's 2026 to 2031 strategy targets £7bn to £8bn of new commitments of its own, most of it from money returned by existing investments, and up to £7.5bn of mobilised commercial capital, a total of about £15bn and about 40% more than in the previous five years, and commits 25% of investments to least developed countries, 40% to climate finance and 30% of core investments to gender. Nearly half of what the provider plans to put to work is now other investors' money; a mobilisation target of that size changes what a provider is buying.[100] It is no longer only supplying capital. It is requiring the recipient to bring commercial capital with it.

That is the mechanism reaching the fund. Where a provider's own performance is measured by how much commercial money it brings alongside, an institution that cannot attract commercial money becomes harder to fund even where the development case is unchanged, and concentration follows: on fewer managers, in fewer markets, against sharper thematic tests.

SCENES 3 AND 4 · AT THE FUND: THIN EVIDENCE, AND STRONG COUNTER-EVIDENCE

The evidence where the force reaches the fund is thin, and this note says so. No dataset tracking the investor composition of African managers' funds by vintage was identified in the sources reviewed, and no case of an African manager failing to raise a successor for this reason was identified either. The graduation test set out in Force 03B is the right test and it cannot currently be run on public disclosure. What can be said is narrower. The ODI review of nine blended concessional finance cases in sub-Saharan Africa found that repeated use of concessional capital with the same clients, without clear exit strategies or conditions, risks entrenching dependency, and that such capital risks becoming a permanent subsidy rather than a bridge to market sustainability.[101] Those findings concern recipients of concessional finance rather than fund managers, and are used here as a description of a mechanism rather than as a measurement of one.

97 FMO, Funding, investor information.
98 European Commission, European Fund for Sustainable Development Plus.
99 OECD Development Assistance Committee, reporting on private sector instruments, DCD/DAC/STAT(2023)20/REV1: the institutional approach measures donor effort at capital increases, the instrument approach at individual activities, in grant equivalents.
100 British International Investment, Strategy 2026 to 2031, and Key Data 2025.
101 ODI, Concessional but catalytic?, September 2025.

The counter-evidence is substantial and cuts two ways, and the first is that this is partly a change of channel rather than only a fall in volume. Contributions to the World Bank and the regional development banks rose over the same period in which bilateral aid fell, and several providers have shifted emphasis toward trade, investment and private sector action rather than traditional aid. Development finance institutions may therefore end up with more to deploy through funds, not less, even as aid contracts.

The second is that the fund layer is still being funded at scale, and the 2026 record says so plainly. Development Partners International reached a first close on a fourth Africa fund against a US$1bn target with IFC committing up to US$75m, Proparco US$42m and DEG US$50m.[102] At the end of 2024, intermediated equity made up about 33% of British International Investment's portfolio, close to direct equity at 35%, on Bond's analysis of the institution's own data.[103] The Force 02 commitments to Lightrock, Kuramo, TLG Capital and Ventures Platform belong here too. Nothing in the evidence supports a claim that development capital is leaving the fund layer.

The register shows who invests in the African funds it records, not how much. Of 58 Africa-focused fund records naming an investor, 49 name development finance, multilateral, government or donor-backed capital and 12 a domestic African institution. Tables F6.6 and F6.7 set this out.[104]

Table F6.6 WHO IS NAMED AS AN INVESTOR IN AFRICA-FOCUSED FUNDS ON THE REGISTER

NOTE Presence, not share of commitments. Investor lists in public announcements are often partial, and the register cannot yet show a trend.

Measure	Funds	Share
Africa-focused fund records	156	
Records naming at least one investor	58	37%
Development finance, multilateral, government or donor-backed capital named	49	84% of 58
of which the commitment is stated as made rather than proposed	42	72% of 58
Domestic African institutions named	12	21% of 58
No development or public capital named	9	16% of 58

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F6.7 CASES FROM THE RECORD FOR FORCE 06, BY SCENE: AT WORK, AGAINST AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
2	**At work:** World Bank Group record private capital mobilisation	17 Sept 2026	The World Bank Group mobilised a record US$112bn of private capital in fiscal 2026, against US$35bn four years earlier. Private capital mobilised in Africa rose from about US$9bn to US$22bn.	The shift from supplying capital to requiring that it be brought alongside, at institutional scale.	World Bank Group press release, via LinkedIn.

102 ImpactAlpha, Development Partners International fourth Africa fund first close, 25 February 2026.
103 Bond, British International Investment: a review of its changing mandate and impact, 2025, drawing on British International Investment portfolio data for 2024.
104 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Scene	Case	Date	What the record shows	What it shows here	Source
3	**Against:** IFC considers anchoring a new climate debt fund	13 Nov 2026	IFC is considering a US$40m anchor investment in the US$200m Transform & Adaptation Fund, of which US$5m would come through its concessional window. At least 75% of the fund is earmarked for Africa.	Development finance continues to anchor new African funds, with concessional capital inside the ticket.	Shore Africa, via LinkedIn.
3	**Against:** BII commits to the Africa50 Infrastructure Acceleration Fund	Aug 2026	A US$20m commitment brought the fund's fourth close to about US$330m toward US$500m, with AfDB, IFC and more than 20 African institutional investors.	Development capital alongside a broad African institutional base.	Africa Investor Review, via LinkedIn.
4	**Limits:** Development capital at the exit end of the cycle	Oct to Nov 2026	IFC committed about 12.9% of the Quickmart IPO as cornerstone and the UK MOBILIST programme about US$15m, together roughly a quarter of the offer.	Development capital is not only leaving or staying at the fundraising stage; it is also present where funds exit.	Deals and Advisory Report, via LinkedIn.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

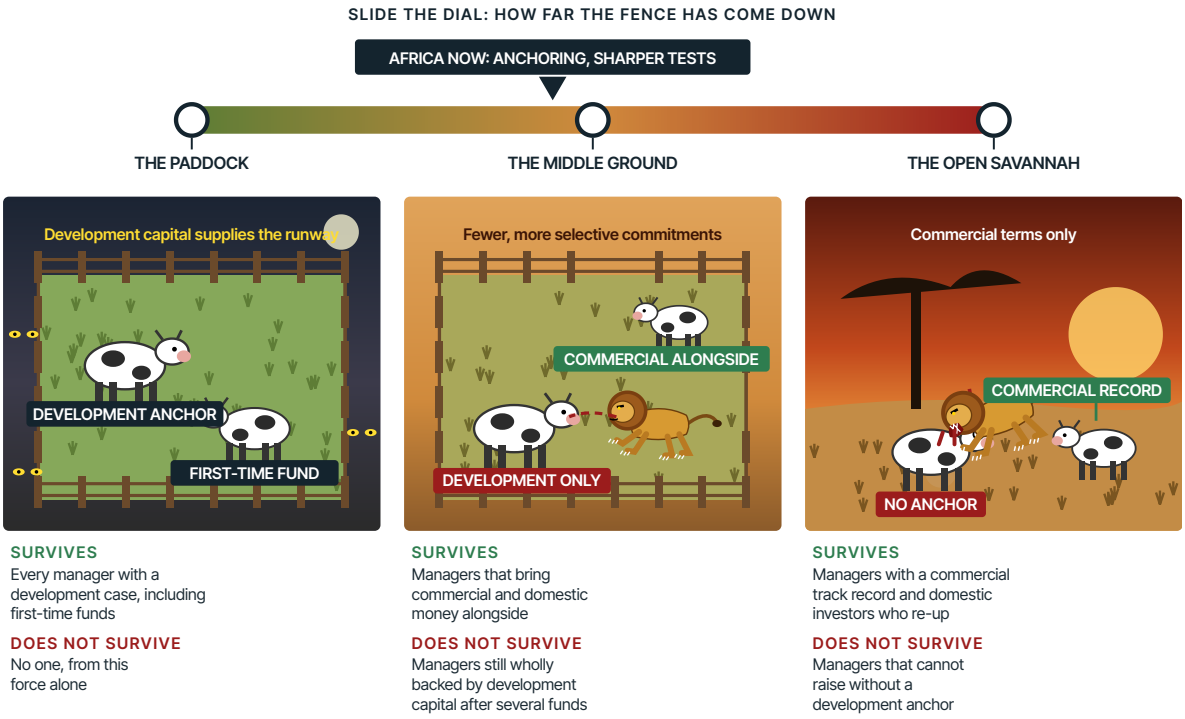
Force 06 is a proposition about direction and terms, not a finding that development finance is leaving African funds. The evidence refutes that reading: development finance institutions anchored African funds throughout 2026, and in five of sixteen home countries aid was at its ten-year peak in 2025. The claim is that the capital which underwrote a longer runway is being repriced at its source, by pressures no African fund manager can influence, and that what remains comes with mobilisation, concentration and a commercial test attached. The direction itself can also swing: the ten-year trajectory in Figure F6.5 rises and falls country by country, and the United States cut its aid by more than half in a single year. Development capital is therefore not only shrinking at its source; it can no longer be planned on, in either direction.

5 Sliding the dial: who survives Force 06, and who does not

How much damage Force 06 does depends on how far the fence of development capital has come down. In the paddock development finance supplies the runway and backs a manager because the market needs building. In the middle ground it still anchors funds, but fewer, against sharper tests, and asks for commercial money alongside. On the open savannah a fund raises on commercial terms alone. Figure F6.7 slides the dial across the three positions and shows, for each, who survives and who does not; Table F6.8 gives the full wording. The marker shows where this note reads the market now: in the middle ground, with aid falling at the source and development finance still anchoring.

Figure F6.7 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 06 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Every manager with a development case, including first-time funds

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Managers that bring commercial and domestic money alongside

DOES NOT SURVIVE
Managers still wholly backed by development capital after several funds

SURVIVES
Managers with a commercial track record and domestic investors who re-up

DOES NOT SURVIVE
Managers that cannot raise without a development anchor

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F6.8 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE RUNWAY, WHO SURVIVES FORCE 06 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F6.7. All three right-hand columns are this note's proposition.

Position	What happens to the runway	Survives	Does not survive
The paddock Fence holds	Development finance supplies capital directly, because the market needs building, and waits.	Every manager with a development case, including first-time funds.	No one is forced out by this force alone.
The middle ground Fence has gaps	Development finance still anchors funds, but fewer, against sharper tests, and asks for commercial money alongside.	Managers that bring commercial and domestic investors alongside development capital.	Managers whose investors are still almost wholly development finance after several funds.
The open savannah No fence	Funds raise on commercial terms alone; development capital is a minor or absent investor.	Managers with a commercial track record and domestic investors who commit again.	Managers that cannot raise without a development anchor.

SOURCE Odit Frontier Partners.

6 What Force 06 leaves the African private equity fund

The fitness question Force 06 leaves is about runway. Could this fund manager raise, compete and survive if development capital were materially reduced? Where the answer is no after several funds, the issue has stopped being the condition of the market and has become a fact about the manager.

What would move Scenes 3 and 4 from proposition to finding is evidence that does not yet exist in public. It would take the investor composition of African managers' funds by vintage, showing the development finance share fund after fund; development finance institutions publishing their commitments to African funds by year; and a documented case of a successor fund raised, or not raised, as development capital stepped back. The register is the place this note will look for each.

In short, the support beneath African private equity is being repriced in other countries' budgets, and the fund manager can neither see it coming nor argue with it. Aid fell 23.1% in real terms in 2025, unevenly: by more than half in the United States, by a quarter in Germany and the United Kingdom, not at all in five other home countries. Development finance is still anchoring African funds, but on terms that increasingly ask the manager to bring commercial money with it. The test this sets is Force 03B's, arriving early.





FORCE 07 OF 09

HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the left horn of the formation, Figure 1.8

Local Capital Rescue

Domestic pension funds and insurers being asked to take over from development capital, on a ledger whose private equity side is blank

Attacks the Fallback Assumption: the assumption that local investors will step in when others pull back

WHAT THIS COVERS

The assumption that domestic institutions, such as local pension funds and insurers, will take over from international development capital with the same large buffers, tolerance of long holding periods, acceptance of a lower financial return and capacity to absorb failure.

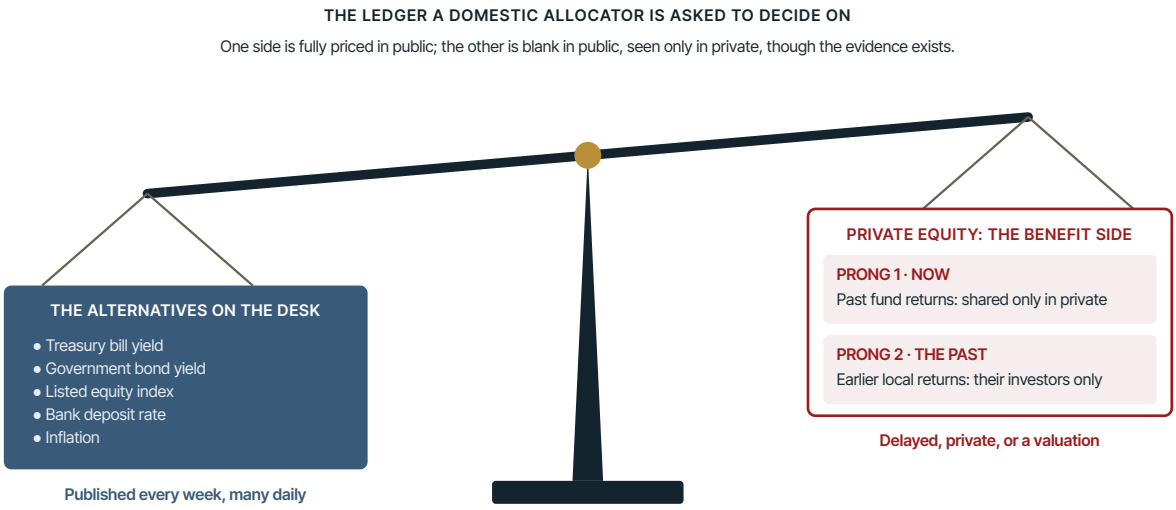
> Local capital is willing and committing. The unresolved question is why less-buffered domestic savings should expect a better result from an architecture that has not published what it returns.

1 What Force 07 is: local capital asked to decide on a ledger with one side blank

Force 07, Local Capital Rescue, is the assumption that domestic pension funds, insurers and banks will take over from development capital, tested against what those investors can actually see before they commit. A domestic allocator weighs private equity against everything else it is allowed to hold. One side of that ledger is fully priced in public: treasury bill yields, bond yields, listed share prices, deposit rates and inflation are published every week. The other side, what private equity has returned, is blank. Figure F7.1 draws that ledger, and Table F7.1 sets the force out in one line.

Figure F7.1 THE LEDGER A DOMESTIC ALLOCATOR IS ASKED TO DECIDE ON: THE ALTERNATIVES PRICED IN PUBLIC, PRIVATE EQUITY'S BENEFIT SIDE BLANK IN PUBLIC

NOTE Prong 1 is the comparison now; Prong 2 is the record of local money already committed. Both are set out in Part 4.



SOURCE Odit Frontier Partners.

Table F7.1 FORCE 07 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 07, Local Capital Rescue
Who or what attacks	Domestic allocators, such as pension funds, insurers and banks, comparing private equity with what else they may legally hold
What it takes over	The role of development capital as the investor that funds African private equity; the question is on what evidence
Where in the fund	The investor base: in Species A the domestic institutions among the limited partners; in Species B the institutions
What the fund loses	The fallback: the assumption that local money will step in on the old terms, without published proof
Kind of force	Subsumption: domestic capital is asked to take over the funding role, and asks first what the role has returned

SOURCE Odit Frontier Partners.

The blank side has two parts, and they interlock. Prong 1 is the cost and benefit comparison now: against the alternatives the law allows, is private equity worth its lock-up, its fees, its currency risk and its opacity? Prong 2 is the proof from local capital already committed: did the domestic money that went into African private equity in the past come back with a return? The comparison in Prong 1 cannot be completed without the evidence in Prong 2. That evidence exists, held by earlier local investors, managers and regulators, but it cannot be found with a search. The absence of public proof is not the absence of a return; it is a claim about access to evidence, not about performance.

Domestic institutional capital is increasingly discussed, and in some markets increasingly mobilised, as the next major pool for African private markets. That is not in itself a problem, and the evidence does not support treating it as one. Recent West African signals point the other way: local capital is willing to move when structure, currency and incentives line up.

The question is therefore not whether local capital will move. It is what exactly it is being asked to inherit.

For close to two decades, development finance institutions and other internationally buffered pools have funded African private-capital strategies under a growth and impact thesis. That is enough elapsed time to expect clear public identification of which models have consistently converted capital into realised returns. What the public record still emphasises is capital raised, capital deployed, companies backed, exits completed, jobs created and impact delivered. What it still rarely contains is distributions to paid-in capital, realised exit performance, net cash returned, successor-fund economics and the dispersion between winners and losers. As Force 03 sets out, exactly one Africa-focused manager published a fund-level distribution figure in 2025 or 2026.

That gap is what gives this force its shape. If highly diversified, development-mandated investors with long horizons and greater loss-absorption capacity have not produced transparent proof of realised conversion after two decades, then moving the same architecture onto domestic pension, insurance and bank capital raises a different question, because that money belongs to retirees, policyholders and depositors. ***The claim this force makes is therefore a narrow one.*** It does not attack local-capital willingness. It attacks the assumption that a new source of capital will produce a different result without a corresponding change in the investment machine.

2 What Force 07 attacks, and where that sits in the two species

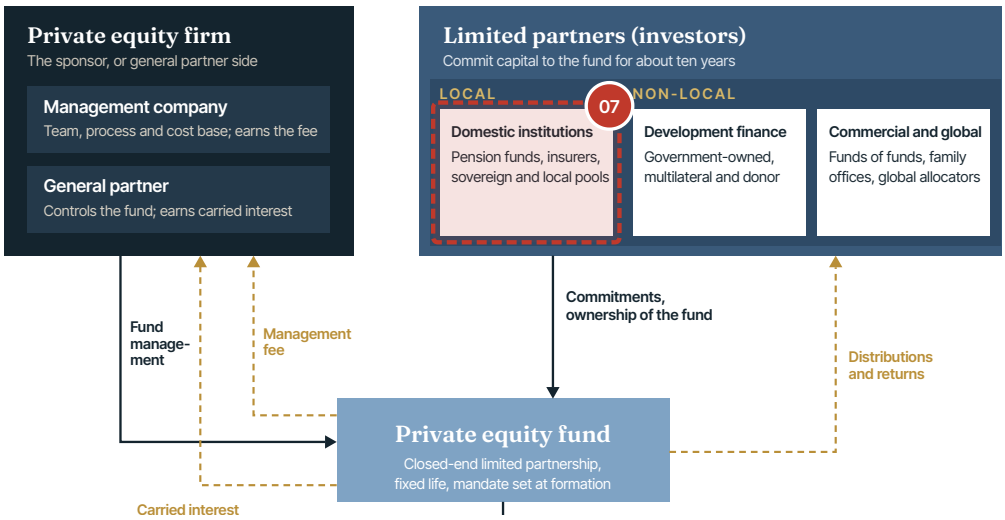
Force 07 attacks the fallback: the assumption that local investors will step in when development capital pulls back, on the terms development capital accepted. The fallback has five parts: willingness to commit, permission under pension law, a comparison against the alternatives, proof from earlier commitments, and the currency the money is in. In Species A they sit with the domestic institutions among the limited partners; in Species B with the institutions that buy into the vehicle. Figure F7.2 marks where, and Table F7.2 defines each part and places it in both species.



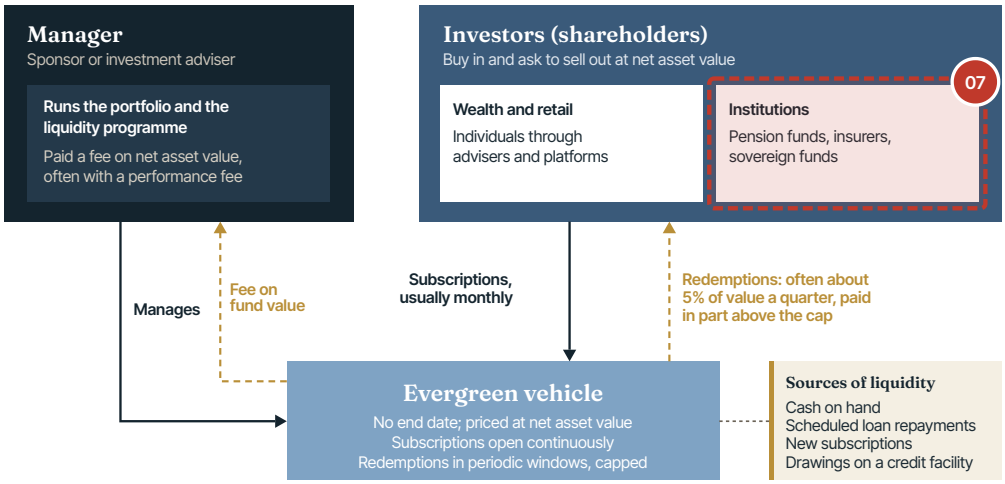
Figure F7.2 WHERE FORCE 07 ATTACKS: THE DOMESTIC INSTITUTIONS IN SPECIES A AND THE INSTITUTIONS IN SPECIES B

NOTE Species A is shown first because nearly all African private equity takes its form.

SPECIES A · THE TEN-YEAR CLOSED-END PRIVATE EQUITY FUND · FROM FIGURE 0.1
IN RED: THE DOMESTIC INSTITUTIONS AMONG THE LOCAL LIMITED PARTNERS



SPECIES B · THE EVERGREEN PRIVATE EQUITY OR PRIVATE CREDIT FUND · FROM FIGURE 0.3
IN RED: THE INSTITUTIONS, WHERE DOMESTIC PENSION AND INSURANCE MONEY WOULD SIT



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F7.2 WHAT FORCE 07 ATTACKS: EACH PART OF THE FALLBACK, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F7.2. Prong 1 is the comparison row; Prong 2 is the proof row.

Part of the fallback	What it is	In Species A	In Species B
Willingness	Whether domestic institutions commit to private funds at all	Commitments to closed-end funds	Subscriptions to an evergreen vehicle
Permission	What pension law allows the institution to hold, and how much	A private equity or unlisted limit	The same limit, or a listed or collective scheme limit, depending on the wrapper
The comparison	Private equity set against the alternatives the law allows	A ten-year illiquid return against a one-year liquid yield	A periodic valuation against a periodic yield
The proof	What earlier commitments returned, in cash	Cash returned at the end of the fund, not published	A published net asset value, which is a valuation, not cash returned
Currency	Whether the fund's currency matches the investor's liabilities	Set when the fund is formed	Set when the vehicle is formed

SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

The comparison in Prong 1 looks different through each species, and neither fills the blank side. The ten-year closed-end fund locks the investor in, charges fees on committed capital, dips before it rises, and produces real proof, cash returned, only at the end and without publishing it. The evergreen fund looks better on the cost side, because money is invested at once and can be redeemed periodically, but it offers a valuation in place of proof, and its redemption is capped and rationed under stress, as Force 05 shows. Table F7.3 sets the two against the alternatives on the allocator's desk.

Table F7.3 PRONG 1 THROUGH THE TWO SPECIES: WHAT A DOMESTIC ALLOCATOR WEIGHS IN EACH, AGAINST THE ALTERNATIVES ON ITS DESK

NOTE This note's comparison, built from Figures 0.1 to 0.6 and Force 05. The figures for each market are in Part 4.

What the allocator weighs	Species A: ten-year closed-end fund	Species B: evergreen fund	Treasury bill or listed equity
Getting money out	Locked in for about ten years	Periodic redemption, capped at about 5% a quarter and rationed under stress (Force 05)	Liquid daily, or at maturity
When the money starts working	Drawn down over years; returns dip before they rise	Invested on subscription, priced at net asset value	At once
Fees	Management fee and carried interest	Fee on net asset value, often with a performance fee	None or minimal
The proof on the benefit side	Cash returned, but only at the end, and not published	A published valuation; redemptions paid give some real proof	A yield known in advance, and published
How easy to compare	Hard: a ten-year illiquid return against a one-year liquid yield	Easier on paper: a periodic value against a periodic yield	Not needed
Available in Africa	The dominant form	Rare: African vehicles mostly avoid the redemption promise (Table F5.7)	Deep in most markets

SOURCE Odit Frontier Partners.

THE QUESTION FORCE 07 ASKS

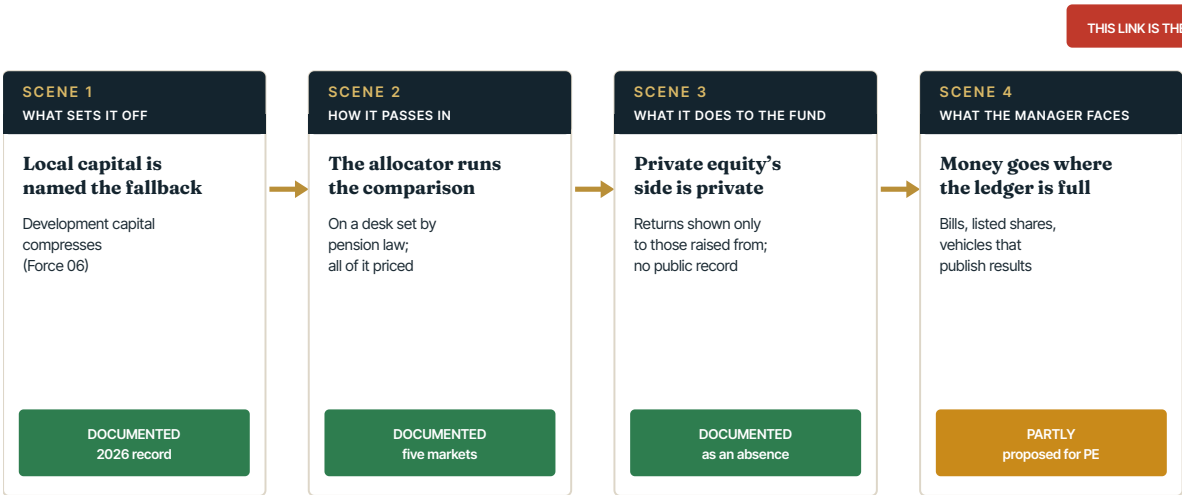
Why should less-buffered capital expect a better result from the same architecture than more-buffered capital has publicly demonstrated?

3 How the attack happens, scene by scene

Force 07 reaches the fund in four scenes: three are documented, and the fourth is documented outside private equity and proposed within it. Figure F7.3 shows the chain: domestic capital is named as the fallback, the allocator runs the comparison on a desk the law has set, finds private equity's side blank, and puts its money where the ledger is complete. Each scene is explained below the figure, with the signs that show it is under way.

Figure F7.3 HOW FORCE 07 REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: documented outside private equity and this note's proposition within it. The evidence for each scene is set out in Part 4, Table F7.5.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: LOCAL CAPITAL IS NAMED THE FALLBACK

As development capital compresses at its source, domestic institutions are named as the next investor, and in 2026 they began to commit. The sign of this scene is domestic pension funds and insurers appearing among the investors in African funds, which the register records thirteen times in 2026, set out in Part 4. The collision map in Table F7.4 sets the investor being replaced against the investor being asked to replace it.

Table F7.4 COLLISION MAP: INTERNATIONAL DEVELOPMENT CAPITAL, AGAINST DOMESTIC INSTITUTIONAL CAPITAL

NOTE The left column is the investor that funded the model for two decades; the right is the investor asked to fund it next.

International development capital	Domestic institutional capital
Larger buffers and diversified across regions	Fiduciary duty to identifiable local savers
Long duration tolerance	Tighter liquidity and solvency constraints, with payout obligations
An explicit development mandate that permits a lower financial return	A benchmark set by liquid domestic alternatives, not by a mandate
Capacity to absorb experimentation and failure	Greater sensitivity to currency, concentration and weak realised conversion
Has funded the model for roughly two decades	Is being asked to fund it next

SOURCE Odit Frontier Partners.

SCENE 2 · HOW IT PASSES IN: THE ALLOCATOR RUNS THE COMPARISON

A domestic allocator does not choose between private equity and nothing; it chooses among what pension law allows it to hold. Pension law sets the desk: how much may go into government paper, listed shares, deposits, property and private equity. The sign of this scene is a regulator widening a liquid pipe because the illiquid one is empty, which Nigeria's pension commission did in February 2026 when it raised listed equity limits. Part 4 sets out the law, the actual holdings and the returns in five markets.

SCENE 3 · WHAT IT DOES TO THE FUND: PRIVATE EQUITY'S SIDE OF THE LEDGER IS BLANK

When the allocator turns to private equity's side of the ledger, it finds a benchmark that is stale, in another currency or behind a paywall, and a past local record it cannot look up. The sign of this scene is that the one disclosed record of local capital in African private equity found by this research became public only through written answers to Parliament. Part 4 sets out what can and cannot be found.

SCENE 4 · WHAT THE MANAGER FACES: MONEY GOES WHERE THE LEDGER IS FULL

Faced with a full ledger on one side and a blank one on the other, local capital commits where results are published. The sign of this scene is domestic money choosing a listed offer with published accounts, or repeating a commitment after a published result, over a private fund with neither. Both happened in 2026 and are set out in Part 4. Whether the same choice is costing African private equity funds is this note's proposition.

4 The evidence, scene by scene

The evidence for Force 07 is strong on the side of the alternatives and, by design of the market, weak on the side of private equity. Table F7.5 sets out, for each scene, what would have to be true, the evidence for and against, and its status. Table F7.6 lists the domestic commitments of 2026. The tables after it take Prong 1 in four steps, from what the law allows to what private equity can show, and then Prong 2, the record of local money already committed.

Table F7.5 THE EVIDENCE FOR FORCE 07, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; documented as an absence means sources were searched and the information was not public; partly means documented outside private equity and proposed within it.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Local capital named the fallback	Domestic institutions commit to African funds	Thirteen 2026 commitments on the register. Twelve Nigerian pension fund administrators supplied 78% of a naira private debt series	Nigeria: private equity 0.88% of pension assets. Ghana: government paper rose from 64.0% to 72.9% in 2024, then fell back to 64.5% in 2025	DOCUMENTED
2. The comparison runs on a priced desk	The alternatives are permitted, held and priced in public	Limits, holdings and current returns published in all five markets reviewed	South Africa's and Namibia's holdings by asset class were not sourced	DOCUMENTED
3. Private equity's side is blank	Private equity returns are not published, and the past local record cannot be found	Africa benchmark free only to 2016. The one disclosed local record came through Parliament. Namibia's mandated funds publish no returns	South African private equity returns are published by RisCura and SAVCA, and show private equity behind listed shares	DOCUMENTED as an absence
4. Money goes where the ledger is full	Domestic money prefers priced or proven instruments	US$1.9bn of domestic bids for a listed refinery offer. A private debt series filled after its first series published a 33.22% yield	Several 2026 funds raised domestic money without a published realised return, as far as the record shows	PARTLY proposed for PE

SOURCE As cited in the tables and text of this part.

SCENE 1 · LOCAL CAPITAL IS COMMITTING

The weak version of this argument reads low historical allocation as unwillingness. The 2026 record does not support that. In July 2026 twelve Nigerian pension fund administrators supplied 78% of the capital in an oversubscribed second series of a naira-denominated private debt fund, N20.69bn against a N20bn target within a N100bn programme, having watched the first series deliver a cumulative dividend yield of 33.22% to March 2026. That is repeat business by fiduciaries into an illiquid, locally denominated, privately marked instrument. Five Nigerian administrators separately anchored a N48bn first close of a local-currency private equity fund, described as the first such close for a pure private equity strategy in Nigeria.[105] In Ghana, a pension-anchored fund of funds reached a GHS 383m first close in March 2026 against a GHS 1bn target, with domestic pension investors committing alongside catalytic capital.

Table F7.6 DOMESTIC INSTITUTIONAL CAPITAL COMMITTING TO AFRICAN FUNDS AND OFFERS IN 2026

NOTE Funds, issues and transactions in this note's register to 14 November 2026 that name an African domestic institution as an investor. Some fundraises have been left out editorially; this is not a comprehensive list.

Vehicle or transaction	Date	Domestic capital named	Size, status and co-investors
Revego Africa Energy Fund	27 Jan 2026	Alexforbes Investments, R500m	R1bn in total with British International Investment, R500m. Close type not stated.

105 Tech In Africa on Kuramo mandates, 15 August 2026.

Vehicle or transaction	Date	Domestic capital named	Size, status and co-investors
Ci Gaba Fund of Funds, Ghana	Jan to Apr 2026	Ghanaian pension funds, more than two-thirds of the first close; Stanbic Investment Management Services with corporate trustees including Axis Pension Trust and Enterprise Trustees; CAL Asset Management	First close of GHS 383m, about US$35m, against GHS 1bn. FSD Africa Investments US$7.5m; Small Foundation; FMO as supporter.
HAVAÍC African Innovation Fund 3, South Africa	17 Feb 2026	SA SME Fund; Sanlam Multi-Manager; E Squared Investments; Fireball Capital; Universum Wealth	Third close above US$30m against US$50m. No development finance named.
Growth Investment Partners Ghana	Apr 2026	Axis Pension Trustees	New investor alongside Norfund. Amounts not stated.
Kuramo Africa Opportunity Fund IV, Nigeria	Jul 2026	Five Nigerian pension fund administrators	First close. Amount not stated.
Capitalworks Private Equity Fund IV, South Africa	Jul 2026	Banks, pension funds, family offices and funds of funds; Standard Bank	First close toward US$350m, amount not stated. IFC up to US$80m including co-investment.
Creation Yield Fund, South Africa	Jul 2026	A major South African pension fund (anchor, not named)	Initial R300m issuance toward R3bn, as a listed private credit note.
SA-H2 Fund, Southern Africa	Aug 2026	Public Investment Corporation for the Government Employees Pension Fund; Sanlam Life; IDC	First close of about US$182m (R3.0bn), with the European Commission and Invest International.
Africa50 Infrastructure Acceleration Fund	Aug 2026	More than 20 African institutional investors	Fourth close of about US$330m toward US$500m, with BII, AfDB and IFC.
CCA Growth Fund II, Nigeria	Sep 2026	Stanbic IBTC Pension Managers; Access ARM Pensions; FCMB Pensions	First close of a little under two-thirds of US$120m, with returning BII, DGGF and IFC.
Infinite Partners Core Equity Fund II, South Africa	Oct 2026	South African pension funds, insurers, asset managers and banks	Final close of R2.8bn, about US$169m, above a R2.5bn target. No development finance named.
Dangote Petroleum Refinery IPO, Nigeria	11 Nov 2026	Public Investment Corporation; Nigerian pension fund administrators	About US$1.9bn of US$4.3bn in bids from Nigerian investors, against a US$1.6bn target. [106]
Proposed Nigerian pension infrastructure fund	13 Nov 2026	19 Nigerian pension funds interested; about US$600m targeted	Proposed US$750m with at least US$150m from DFIs; first close of US$350m targeted for 2027. Commitments not yet secured.

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

The regulator says the same thing directly. In February 2026 Nigeria's pension commission raised listed equity caps, citing the shortage of qualifying alternative assets and persistent excess liquidity across pension portfolios; in a July 2026 circular it cited the limited availability of quality investable instruments. A supervisor that widens the listed-equity pipe because the alternatives pipe has nothing in it is describing a supply failure, not a demand failure.

106 The offer, open from 14 September to 27 October 2026, missed Aliko Dangote's stated target of 10 million retail investors; official investor numbers had not been reported. Daily Trust, Dangote refinery IPO misses 10m investors target, 8 November 2026.

SCENE 2 · PRONG 1, STEP 1: WHAT PENSION LAW ALLOWS

The desk is set by pension law, and in all five markets the law allows far more private equity than is held. Table F7.7 sets the legal limits side by side for Nigeria, Ghana, Kenya, South Africa and Namibia. Private equity is permitted in four of them, at 10% to 15% of assets in three and within a 25% allowance for all alternatives in Ghana, and it is required in the fifth: Namibia obliges pension funds to hold between 1.75% and 3.5% in unlisted Namibian investments.[107][108][109][110][111]

Table F7.7 PRONG 1, STEP 1: WHAT PENSION LAW ALLOWS A FUND TO HOLD, AS A MAXIMUM SHARE OF ASSETS, IN FIVE MARKETS

NOTE Maximum shares unless stated. Nigeria's limits differ by fund type; Fund II, the main active fund, is shown where the source gives it. A limit not found in the sources reviewed is marked as not sourced rather than assumed.

Asset class	Nigeria (PenCom, Sept 2025)	Ghana (NPRA, 2021)	Kenya (RBA)	South Africa (Regulation 28, 2023)	Namibia (Regulations 13 and 28)
Government securities	50% (RSA Fund II, cut from 70%)	75%	90%	100% for South African government debt	No limit sourced
Listed equities	33% (RSA Fund II, from February 2026)	No separate limit found	70%	75%	75%
Private equity or unlisted	10% generalist; 20% infrastructure	Within 25% for all alternatives	10%	15%	Required: at least 1.75%, at most 3.5%
Property	No limit sourced	Within the 25% for alternatives	30%; listed REITs 30%	25%	No limit sourced
Bank deposits	No limit sourced	35% (bank securities)	30% (fixed deposits)	100%	No limit sourced
Offshore	No limit sourced	5%	15%	No separate limit in Regulation 28 Table 1	At least 45% must be held in Namibia

SOURCE PenCom addendum, 9 February 2026, and Nairametrics, 26 September 2025; NPRA guidelines, 2021, via AVCA, October 2025; Retirement Benefits Authority, Kenya; Regulation 28, Table 1; NAMFISA, via The Brief, 2024 and 2026, and RisCura.

SCENE 2 · PRONG 1, STEP 2: WHAT PENSION FUNDS ACTUALLY HOLD, AND THE TOP FIVE COMPARATORS

What pension funds actually hold shows which instruments private equity must beat, and in every market reviewed government paper comes first. Table F7.8 ranks the comparators by what is held where the holdings are published, and by what is permitted where they are not. Private equity sits at about 1% of assets or less wherever it is reported. The individual investment policies of the largest funds, such as GEPF in South Africa, NSSF in Kenya, SSNIT in Ghana and GIPF in Namibia, are mostly not published at the level of a target allocation by asset class, which is itself part of what this force describes.

107 PenCom, Addendum to the Revised Regulations on Investment of Pension Fund Assets, 9 February 2026; Nairametrics, PenCom's new guidelines: ambition, risks and the fine print, 26 September 2025.
108 Retirement Benefits Authority, Kenya, Investment guidelines; and Kenya's pension assets rise to Ksh2.81 trillion in 2025.
109 Pension Funds Act, Regulation 28, Table 1, effective 3 January 2023.
110 AVCA, Ghana pension funds and private capital, October 2025.
111 The Brief, GIPF controls N$209.5bn of Namibia's N$301.9bn pension assets, 30 June 2026, citing NAMFISA; The Brief, Navigating Namibia's unlisted investments, 20 June 2024.

Table F7.8 PRONG 1, STEP 2: WHAT PENSION FUNDS HOLD IN GOVERNMENT PAPER, THEIR TOP FIVE COMPARATOR INSTRUMENTS, AND THE PRIVATE EQUITY THEY HOLD

NOTE Comparators are ranked by actual holding where the share is shown, and by what the law permits where it is not. Kenya's private equity share is calculated by Odit Frontier Partners from the regulator's figures.

Market	Government paper, share of pension assets	Top five comparators	Private equity held
Nigeria	58.07% (March 2026, down from about 72% in 2019)	Government securities; listed equities; money market; corporate debt; state bonds	Private equity 0.88%; infrastructure funds 0.76%
Ghana	72.9% (2024, up from 64.0%); back to 64.5% in 2025 (Bank of Ghana)	Government securities; bank securities 8.6%; collective investment schemes; corporate debt; local government securities	All alternatives 1.1%
Kenya	52.1% (December 2025)	Government securities; guaranteed funds 18.6%; listed equities 11.1%; property 8.6%; listed corporate bonds	About 1.1% (KSh29.9bn of KSh2.81tn)
South Africa	Not sourced	Industry holdings by asset class not sourced for this note	Not sourced
Namibia	Not split by asset class in the source; 49.3% held in Namibia against a 45% minimum (March 2026)	Split by asset class not sourced; 31.2% offshore and 17.6% elsewhere in the Common Monetary Area	Required 1.75% to 3.5%; the unlisted industry about N$4bn (March 2024)

SOURCE PenCom, March 2026; AVCA, October 2025; Retirement Benefits Authority, Kenya, 2025; NAMFISA, via The Brief, 2024 and 2026.

SCENE 2 · PRONG 1, STEP 3: WHAT THE COMPARATORS RETURN, IN PUBLIC

Domestic investors are not choosing between African private equity and nothing. They are choosing against government securities, listed equities, money market instruments, infrastructure, real estate and offshore assets. The hurdle is therefore not whether private equity can return capital. It is whether it can justify illiquidity, opacity, currency exposure and ten-year duration against what is actually available to that investor today.

Every comparator on the desk publishes its return, most of them weekly, and in every market where a bill rate was found it pays more than inflation. Table F7.9 sets the current returns side by side. In Nigeria the one-year bill pays one to two points above inflation and listed shares returned 51% in 2025, which sets a high bar. In Ghana the 91-day bill pays about a point above inflation, which lowers the bar a private fund must clear.

Table F7.9 PRONG 1, STEP 3: WHAT THE COMPARATORS ON THE DESK RETURN, IN PUBLIC, IN FIVE MARKETS

NOTE Latest published figures found, in local currency unless stated. Listed equity returns for 2025 are single-year figures and not a long-run return. A figure not found is marked as not sourced rather than estimated.

Market	Treasury bill	Government bond	Listed equity	Inflation	Other main comparator
Nigeria	364-day 15.89% (11 November 2026; 17.59% on 12 August)	17.15% to 17.79%, to 2038 (August 2026)	All-Share +51.19% in 2025; +47.43% in the first half of 2026	14.63% (September 2026)	Naira private debt series: 33.22% cumulative dividend yield to March 2026
Ghana	364-day 12.99%; 91-day 5.63% (August 2026)	Not sourced	Composite +79.40% in 2025; +67.90% in the first half of 2026	4.6% (July 2026)	Not sourced

Market	Treasury bill	Government bond	Listed equity	Inflation	Other main comparator
Kenya	364-day 9.01%; 91-day 8.74% (12 November 2026)	Not sourced	About +52% in US dollars in 2025; pension funds' equities +61.2% in the year to June 2026	7.3% (October 2026)	Pension funds' fixed income +12.0% in the year to June 2026
South Africa	Not sourced	10-year about 8.70% (13 November 2026); bond index +24.2% in 2025	Capped SWIX +42.6% in 2025	4.5% (September 2026)	Listed property +30.6% in 2025
Namibia	364-day 7.58% (23 July 2026)	Not sourced	Not sourced	5.6% (October 2026)	GIPF, the largest fund: 10.6% return, year to March 2025

SOURCE Central Bank of Nigeria and NGX via this note's Section 2 sources; Bank of Ghana and GSE; Central Bank of Kenya, auction of 12 November 2026; Business Daily, 11 January and 11 August 2026; KNBS, October 2026; RisCura, market commentary, December 2025; Trading Economics, 13 November 2026; Stats SA, October 2026; Bank of Namibia auction of 23 July 2026, via The Brief; Namibia Statistics Agency, October 2026; GIPF, via The Villager, 6 February 2026.

The following is a derivation rather than a published statistic. The Nigerian hurdle can be assembled from what already sits on the investor's desk. A 364-day treasury bill paid 17.59% in August 2026 and 15.89% at the 11 November auction, liquid, fee-free, with no J-curve and held-to-maturity accounting, and auctions have been oversubscribed throughout, at about six times cover in August, which is where the money is actually going. Add a conventional illiquidity and manager-risk premium of 800 to 1,200 basis points for a ten-year lock-up and the floor sits near 26% to 30% net internal rate of return in naira. But the floor is not the bar. The bar is what the same board saw in a daily-priced domestic index that returned 51% in 2025 and 47% in the first half of 2026, and an in-portfolio naira private credit series yielding 33.22%. A naira private equity fund has to underwrite comfortably north of 30% net in naira and expect to be asked why it beats a liquid listed portfolio that did better with no lock-up.

Ghana inverts it. With the 91-day bill at 5.63% against 4.6% inflation, the opportunity cost of illiquidity has collapsed to roughly a point of real return at the short end, and a cedi fund plausibly clears at 20% to 24% net. The listed comparator is spectacular but thin and concentrated in financials, so a large trustee cannot deploy at scale there. ***The following inference is a proposition rather than a finding.*** On this arithmetic Ghana should move into private markets before Nigeria does, which is the inverse of where the executed commitments currently sit. That tension is worth stating rather than smoothing.

SCENE 3 · PRONG 1, STEP 4: WHAT PRIVATE EQUITY CAN SHOW

Against those published returns, the allocator can set only proxies for private equity, each with a catch, and not the return of the fund it is being offered. Table F7.10 sets out the proxies. The pooled Africa benchmark, built from 51 funds, returned 4.51% a year over ten years to the end of 2016, in US dollars, net of fees.[112] That is the last edition this research found freely available: later editions sit behind the African private capital association's member portal, and the compiler's benchmark reports are no longer free. In South Africa, the one market where a local-currency series is published, private equity returned 5.2% a year over ten years to mid-2024, behind listed shares at 6.5%.[113]

112 Cambridge Associates, Africa Private Equity and Venture Capital Index and Selected Benchmark Statistics, 31 December 2016, for AVCA, June 2017.

113 RisCura and SAVCA, South African Private Equity Performance Report, Q2 2024.

Table F7.10 PRONG 1, STEP 4: WHAT PRIVATE EQUITY CAN SHOW THE ALLOCATOR, FROM THE PUBLISHED PROXIES TO THE FUND ON OFFER

NOTE Pooled benchmark returns combine many funds and do not show what any single fund returned. The minus sign marks a loss.

Proxy	Coverage	Annual return by period	Currency and basis	The catch
Cambridge Associates Africa private equity and venture capital index	51 funds, to 31 December 2016	1 year 3.42%; 3 years −0.32%; 5 years 4.36%; 10 years 4.51%	US dollars; net of fees, expenses and carried interest	The last edition found freely available; later editions to 2020 are on a member portal
Cambridge Associates emerging markets index	803 funds, to 30 June 2026	1 year 6.72%; 3 years 3.54%; 5 years 0.12%; 10 years 8.24%	Net to investors	Current, but not Africa
South African private equity, RisCura and SAVCA	South African funds, to Q2 2024	3 years 5.0%; 5 years 1.8%; 10 years 5.2%	Rand; pooled return	Behind listed shares (Capped SWIX) over each period: 10.1%, 8.7%, 6.5%
The fund on offer to the allocator	One fund	Not published		The blank side of the ledger

SOURCE Cambridge Associates, Africa index to 31 December 2016 and emerging markets index to 30 June 2026; RisCura and SAVCA, Q2 2024.

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CURRENCY, STATED SEPARATELY

A local pension fund with local-currency liabilities investing into a dollar-denominated vehicle takes a currency mismatch before it reaches investment performance at all. It is then being asked to accept performance uncertainty and exchange-rate uncertainty together, from a manager that has not published a realised return. The two risks are distinct and should not be netted in the argument.

The position has also moved fast enough that no thesis should be built on it. The naira had appreciated about 5.6% against the dollar by April 2026, which genuinely weakens the mismatch objection for Nigeria; by July it had lifted the listed alternative to about 67% in hard-currency terms. The cedi gained more than 40% in 2025, its first annual gain in nearly 33 years, then gave back 11.6% by late July 2026, the weakest of seventeen tracked African currencies. Any argument resting on cedi stability did not survive eight months. This is why local-currency structures matter: a cedi-earning business financed in dollars carries a risk neither party priced.

SCENE 3 · PRONG 2: THE RECORD OF LOCAL MONEY ALREADY COMMITTED

Local money has been in African private equity for up to two decades, and its record exists, but in only one market reviewed could any of it be found in public, and only through Parliament. Table F7.11 sets out what is known, market by market. In South Africa, the Public Investment Corporation's unlisted portfolio for the government employees' fund returned 4.25% a year on about R88bn invested since 2006, a record made public only through written replies to Parliament.[115] In Namibia, no returns are published, and a fund administrator writes that several funds near maturity have underperformed.[116] In Ghana, 72% of pension investors already in private capital said it was too soon to judge.

114 Cambridge Associates, Emerging Markets Private Equity and Venture Capital Index and Selected Benchmark Statistics, 30 June 2026.
115 Daily Maverick, Public servants' pension money: the R88bn question behind the PIC's Isibaya portfolio, 3 June 2026.
116 New Era, From promise to performance: what has Regulation 13(5) delivered in 10 years?, 25 June 2025.

Table F7.11 PRONG 2: WHAT IS PUBLICLY KNOWN OF LOCAL CAPITAL'S PAST RECORD IN PRIVATE EQUITY, AND HOW IT BECAME KNOWN

NOTE "Not public" means not found in the sources reviewed, not that no return was earned. The record is held by the pension funds, the managers and the regulators.

Market	Local money committed to private equity	What is known of the result	How it became public
South Africa	Public Investment Corporation, unlisted portfolio for the Government Employees Pension Fund: about R88bn invested since March 2006	4.25% a year; 1.12 times the money; large losses on several holdings	Written replies to Parliament, reported June 2026
Namibia	Required unlisted allocation since 2008, at 1.75% to 3.5% of assets since 2018; about N$4bn by March 2024	No returns published. A fund administrator writes that several funds near maturity underperformed and some cannot return the capital invested	An opinion piece by a fund administrator, June 2025
Ghana	24% of surveyed pension investors hold private equity	72% say it is too soon to judge; of those who reported, 62% achieved 1.0 to 2.5 times the money	A survey by the African private capital association, October 2025
Nigeria	Private equity 0.88% of pension assets (March 2026)	No published realised return found in the sources reviewed	Not public
Kenya	Private equity KSh29.9bn (December 2025)	No published realised return found; the reported 49% growth in holdings in late 2025 is growth in assets, not a return	Not public

SOURCE Daily Maverick, 3 June 2026; New Era, 25 June 2025; The Brief, 20 June 2024; AVCA, October 2025; PenCom, March 2026; Retirement Benefits Authority, Kenya, 2025.

Ghana's executed allocation has not yet followed its stated intent. Government securities rose from 64.0% to 72.9% of pension assets by 2024, after a sovereign debt exchange that was supposed to teach diversification, before the Bank of Ghana reported a fall back to 64.5% in 2025, and a signed industry compact to move 5% into alternatives by 2026 is voluntary with no published progress.[117] In Nigeria, private equity specifically is 0.88% of pension assets at March 2026, with infrastructure funds a further 0.76%; together they come to 1.64%.[118] Government securities have fallen from 70.8% of assets in 2019 to 58.07%, but that rotation went into listed equities, not alternatives. Limited partners name the blockers themselves: currency mismatch, payout obligations, and minimum tickets of US$10m to US$20m that are standard globally and too large for many African investors. This research found no Francophone West African institutional activity, so West Africa here means Nigeria and Ghana.

SCENE 4 · CASES FROM THE RECORD

The register's cases show local capital willing at scale, and choosing, where it can, the ledger that is full. Table F7.12 sets out the cases by scene. The clearest is the refinery offer in November 2026, where domestic portfolios bid US$1.9bn for a listed operator with published accounts and daily pricing.[119]

117 Bank of Ghana, Annual Statistical Bulletin 2023, table 10, and Monetary Policy Reports, January 2024 and January 2025.
118 PenCom, Monthly Industry Summary, March 2026, unaudited industry portfolio. PenCom, Revised Regulation on Investment of Pension Fund Assets, September 2025, sections 6.2.10.1 and 9.4.
119 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F7.12 CASES FROM THE RECORD FOR FORCE 07, BY SCENE: AT WORK AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
1	**At work:** Kuramo Africa Opportunity Fund IV first close	Jul 2026	A first close backed by five Nigerian pension fund administrators. The amount is not stated in the record.	Domestic pension capital anchoring a fourth fund.	Africa Capital Digest, via LinkedIn.
1	**At work:** CCA Growth Fund II first close	Sept 2026	CardinalStone raised a little under two-thirds of its US$120m target from returning development finance institutions (BII, DGGF, IFC) and Nigerian pension fund managers (Stanbic IBTC Pension Managers, Access ARM Pensions, FCMB Pensions).	Domestic and development capital side by side in a second fund.	Africa Capital Digest, via LinkedIn.
1	**At work:** Ci Gaba fund of funds first close	Jan to Apr 2026	First close of GHS 383m, about US$35m, against GHS 1bn. Ghanaian pension funds anchored more than two-thirds of the first close.	Confirms the Ghanaian case in this force.	Africa Private Equity News; AVCA member news.
1	**At work:** Infinite Partners Core Equity Fund II	c. Oct 2026	Closed at R2.8bn, about US$169m, above a R2.5bn target, backed entirely by South African pension funds, insurers, asset managers and banks.	A second fund raised wholly from domestic institutions in Africa's deepest pension market.	LinkedIn post.
2	**Limits:** Kenyan pension assets and alternatives	9 Nov 2026	Kenyan pension assets stood at about KSh3.167tn, US$24.4bn, in June 2026, with infrastructure debt at 0.02% and REITs at 0.62% of the total.	The gap between available savings and alternative allocations.	Africa Digest News, via LinkedIn.
4	**At work:** Domestic institutions bid for the Dangote Petroleum Refinery offer	11 Nov 2026	South Africa's Public Investment Corporation and Nigerian pension fund administrators were among the bidders in an offer that drew US$4.3bn of bids, about US$1.9bn of it from Nigerian investors.	Local capital willing at scale, choosing a listed operator with published accounts and daily pricing: the full ledger.	Shore Africa, via LinkedIn. Billionaires.Africa, 11 November 2026, for the reported totals.
4	**Limits:** A proposed US$750m Nigerian pension infrastructure fund	13 Nov 2026	The Pension Industry Leadership Council and FSD Africa agreed to develop a fund of about US$600m from Nigerian pension funds and at least US$150m from development finance institutions, with a first close targeted at US$350m in 2027. Commitments are not yet secured.	Willingness expressed as a target, not yet as capital.	LinkedIn post.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

Force 07 is not a claim that African private equity has failed local investors; it is a claim that local investors are asked to decide without the evidence. Where returns are not public, they may be good, poor or mixed, and the one disclosed local record found, at 4.25% a year, is a single portfolio with developmental goals. Local capital is willing, permitted and committing. The proposition is that the binding constraint is evidence: a ledger whose private equity side is blank, although the figures that would fill it are already held by the earlier investors, managers and regulators.

Capital provenance does not repair investment mechanics. The fallback fails not because domestic capital is unwilling, but because willingness was never the binding constraint: the constraints are product supply, denomination, ticket size, and the absence of published evidence that the machine converts. A manager that extends no charitable subsidy to its portfolio companies is poorly placed to ask retirees and policyholders for patience it has not earned in public. Local capital exists, it is permitted, and it is committing. The question is whether the machine has changed.

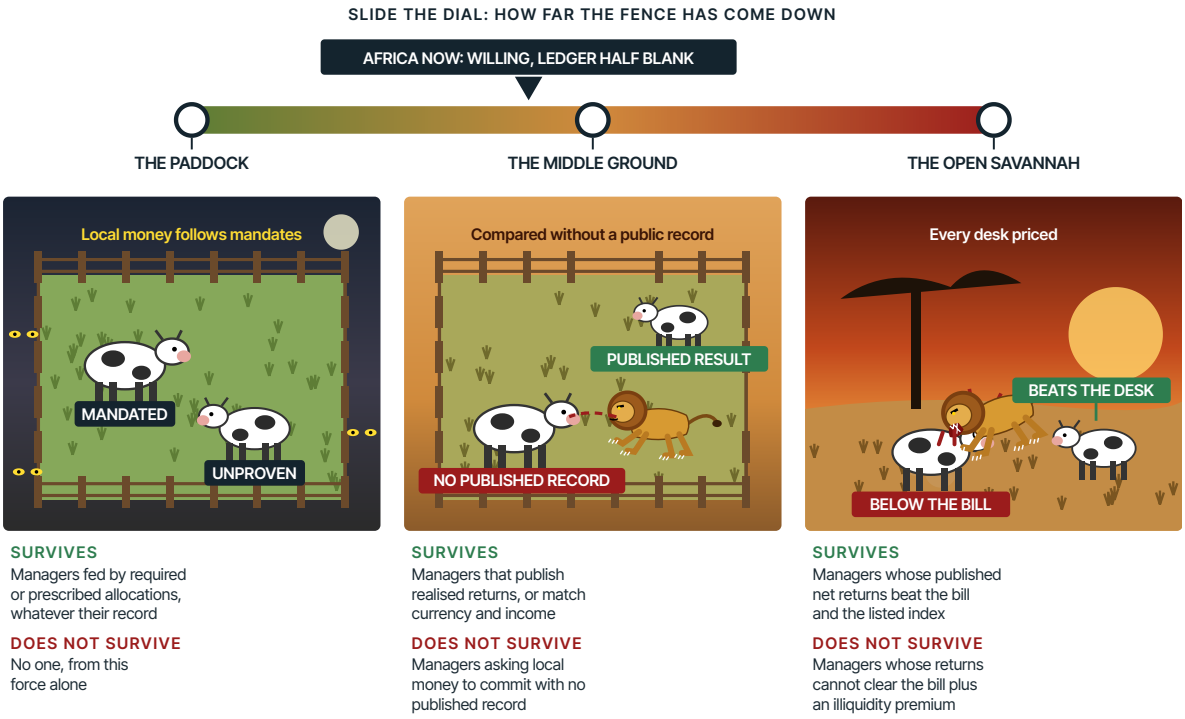
5 Sliding the dial: who survives Force 07, and who does not

How much damage Force 07 does depends on how far the fence has come down between a mandated allocation and a full comparison. In the paddock local money follows mandates and prescribed minimums, as Namibian pension funds must. In the middle ground allocators compare, but private equity's side of the ledger is blank, so they commit on relationships, on structure, or not at all. On the open savannah every desk is priced, private equity included, and a fund must show it beats the bill and the listed index after its lock-up. Figure F7.4 slides the dial across the three positions and shows, for each, who survives and who does not; Table F7.13 gives the full wording. The marker shows where this note reads the market now: local capital willing and permitted, deciding on a ledger with one side blank.



Figure F7.4 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 07 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Managers fed by required or prescribed allocations, whatever their record

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Managers that publish realised returns, or match currency and income

DOES NOT SURVIVE
Managers asking local money to commit with no published record

SURVIVES
Managers whose published net returns beat the bill and the listed index

DOES NOT SURVIVE
Managers whose returns cannot clear the bill plus an illiquidity premium

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F7.13 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FALLBACK, WHO SURVIVES FORCE 07 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F7.4. All three right-hand columns are this note's proposition.

Position	What happens to the fallback	Survives	Does not survive
The paddock Fence holds	Local money follows mandates and prescribed minimums, such as Namibia's required unlisted allocation.	Managers fed by required or prescribed allocations, whatever their record.	No one is forced out by this force alone.
The middle ground Fence has gaps	Allocators compare private equity with the alternatives, but its side of the ledger is blank, so they commit on relationships, on structure, or not at all.	Managers that publish realised returns, or that match the investor's currency and income needs, as the naira private debt series did.	Managers asking local money to commit with no published record.
The open savannah No fence	Every desk is priced, private equity included: funds publish net realised returns and are compared on them.	Managers whose published net returns beat the treasury bill and the listed index after the lock-up.	Managers whose returns cannot clear the bill plus a premium for illiquidity.

SOURCE Odit Frontier Partners.

6 What Force 07 leaves the African private equity fund

The fitness question Force 07 leaves is about the funder. Given everything else a domestic allocator is allowed to buy, and can see priced every week, why should the money come here?

What would move Scenes 3 and 4 from absence to finding is evidence that already exists and is not public. It would take regulators publishing the realised returns of pension funds' private equity holdings, as South Africa's answers to Parliament did once; Namibia's mandated funds publishing their results as they mature; managers publishing net realised returns fund by fund; and the pooled Africa benchmark made freely available again. The register is the place this note will look for each.

In short, local capital is willing and permitted, and is being asked to decide on a ledger with one side blank. Pension law in all five markets reviewed allows far more private equity than is held, and every alternative on the desk publishes its return. Private equity offers a benchmark free only to 2016 and a local record that, in the one case found, took Parliament to reveal. The fallback will hold only where managers fill in their side of the ledger.





Thematic Mandate Compression

Capital concentrating on a few sectors, narrowing what an African fund can find, reach or is allowed to buy

Attacks the Investable Universe: whether there are enough companies to buy, and a route to them, in the sectors capital now wants

WHAT THIS COVERS

The supply of companies the fund is allowed and able to buy in the four sectors capital now wants most: climate, AI and software, critical minerals and hydrocarbons; enough qualifying companies in each, a route to them through a pooled fund, a mandate that admits them, and labels that survive investors' checks.

> Capital is not only becoming scarcer. It is becoming directional, and an intermediary can lack a route into a theme as easily as it can lack the assets.

1 What Force 08 is: capital as a direction, not only a quantity

Force 08, Thematic Mandate Compression, is capital concentrating on a few sectors, so that an African fund must find, reach and be allowed into those sectors to receive it. Four sectors draw most of that capital in 2026: climate, AI and software, critical minerals, and hydrocarbons. Each constrains the fund in a different way, which is why the force is set out as four sub-forces. Table F8.1 sets the force out in one line.

Table F8.1 FORCE 08 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow and in the four sub-forces.

Element	Force 08, Thematic Mandate Compression
Who or what attacks	Investors and strategic financiers concentrating their money on a few sectors chosen upstream
What it takes over	Nothing is absorbed: the ground on which the fund can work narrows
Where in the fund	The companies the fund is allowed and able to buy: in both species, the portfolio and the universe it is drawn from
What the fund loses	A wide field in which the fund manager chooses where value sits
Kind of force	Compression, in four sub-forces: 08A climate, 08B AI and software, 08C critical minerals, 08D hydrocarbons

SOURCE Odit Frontier Partners.

Every force so far has treated capital as a quantity. This one treats it as a direction. Where upstream capital concentrates around a small number of globally strategic themes, an African intermediary is not simply competing for fewer dollars. It is competing inside a narrower eligible universe, and the binding constraint moves from how much capital it can attract to how many qualifying assets it can actually find.

That constraint has a specific shape. An institution cannot rename an ordinary portfolio to match a theme, or at least cannot do so and survive diligence. If a pool of global capital wants exposure to a theme, the question for the intermediary is how many genuinely investable companies exist inside that theme at the scale, maturity and economics institutional capital requires. Where the underlying universe is thin, capital can be abundant globally and still be difficult to intermediate locally. That is a different kind of scarcity from the one this market is used to discussing.

This is the second compression rather than a subsumption. Nothing takes the function. The eligible ground on which the function can be performed narrows, and it narrows for reasons set elsewhere.

In both species the force reaches the same place: the companies the fund may buy, and the universe they are drawn from. Figure F8.1 marks it. Table F8.2, the collision map, sets the universe the fund was built for against the one capital now wants.

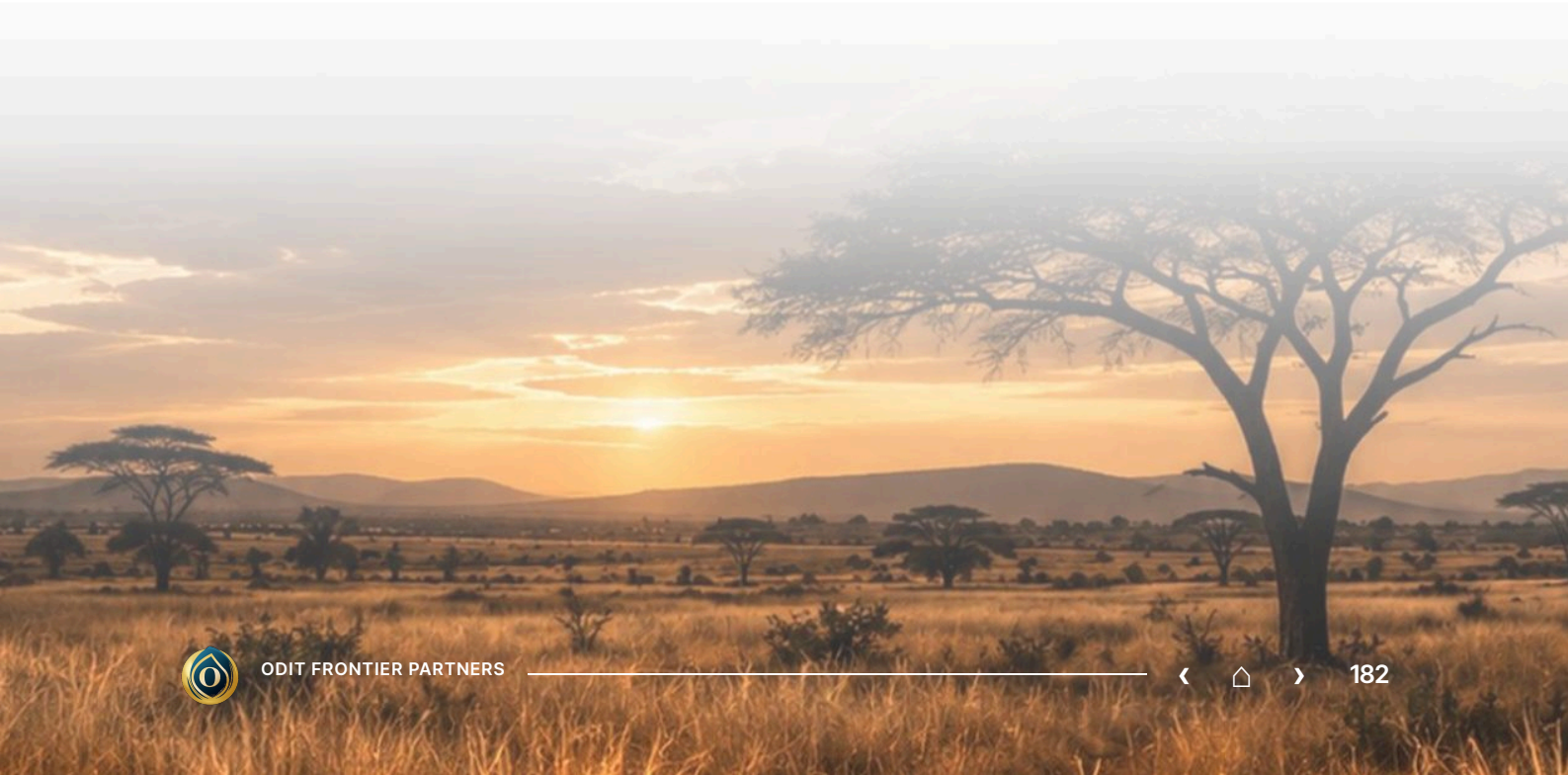
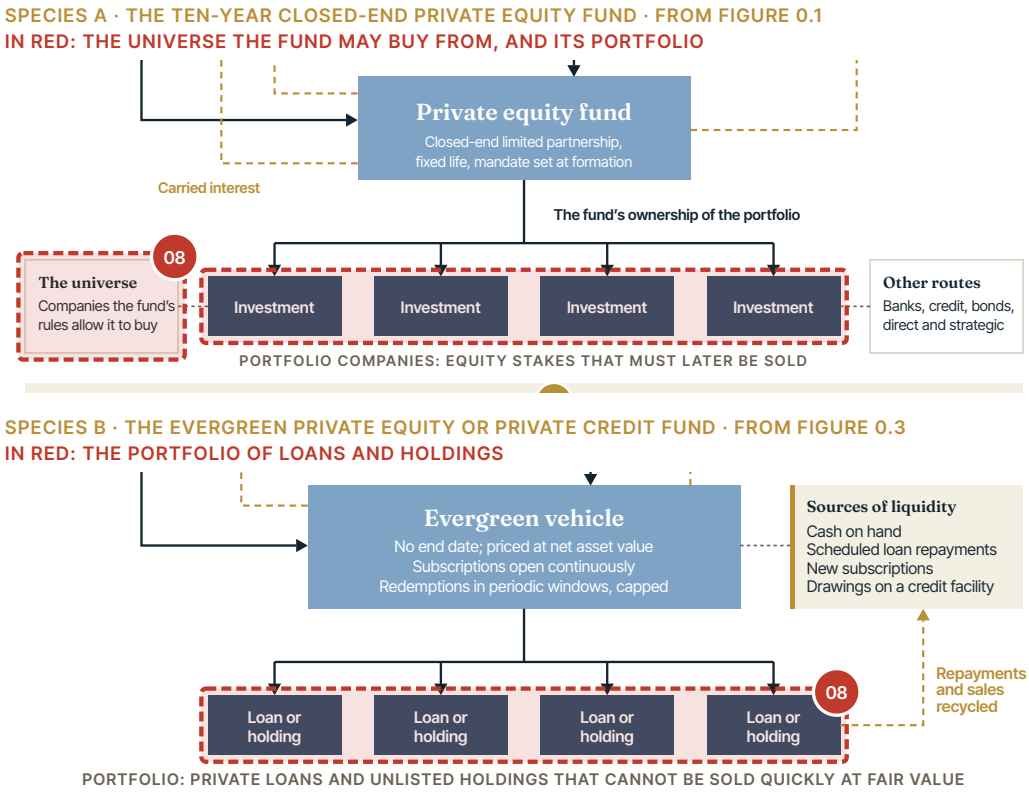


Figure F8.1 WHERE FORCE 08 ATTACKS: THE UNIVERSE THE FUND MAY BUY FROM, AND THE PORTFOLIO, IN SPECIES A AND SPECIES B

NOTE The two funds are drawn as in Figures 0.1 and 0.3, cropped to the fund and its portfolio.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F8.2 COLLISION MAP: THE UNIVERSE THE FUND WAS BUILT FOR, AGAINST THE UNIVERSE CAPITAL NOW WANTS

NOTE The left column is the fund as built; the right is the universe it now faces in each of the four sectors.

The universe the fund was built for	The universe capital increasingly wants
Broad sector mandates, with the manager choosing where value sits	A narrower set of strategic themes, chosen upstream and applied as a screen
Deal supply as a function of the manager's sourcing	Deal supply as a function of how many qualifying assets exist at all
Differentiation through judgement across a wide field	Differentiation inside a field several managers are entering at once
Thematic labels applied to describe a portfolio	Thematic labels that must survive diligence to unlock the capital

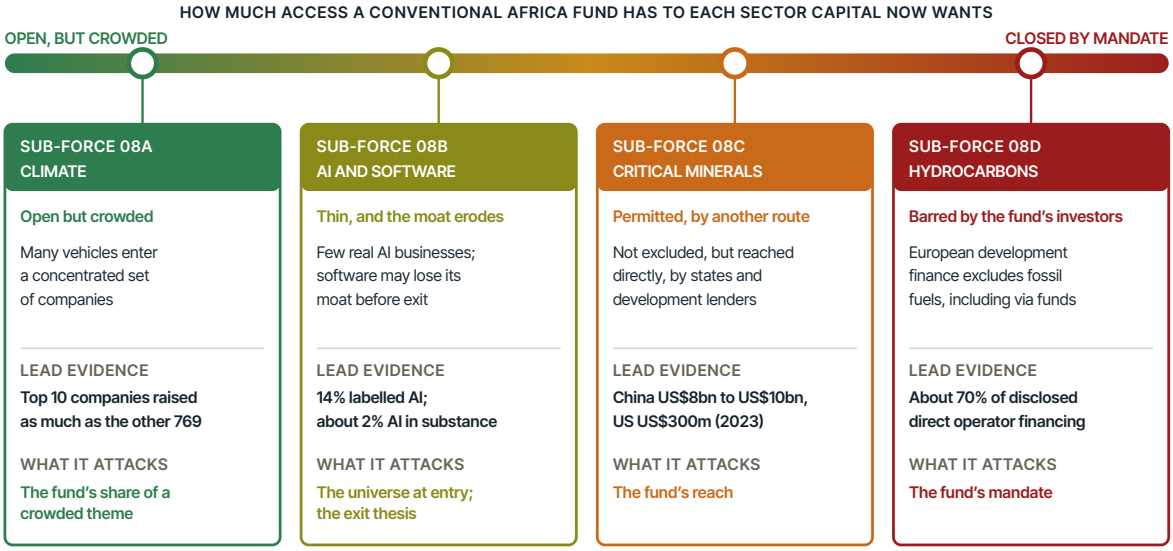
SOURCE Odit Frontier Partners.

2 Four sectors, four kinds of access, and four sub-forces

The four sectors sit on a spectrum of access, from a sector that is open but crowded to one the fund's own investors close to it. Figure F8.2 places them. Climate is open, but many vehicles are entering a narrow set of companies. AI is open, but there are few real AI businesses to buy, and software bought today may lose its scarcity before it is sold. Critical minerals are permitted, but capital reaches them directly, by routes a pooled fund cannot follow. Hydrocarbons are closed by mandate: the development investors behind many African funds exclude them.

Figure F8.2 THE SPECTRUM OF ACCESS: HOW FAR A CONVENTIONAL AFRICA FUND CAN REACH EACH OF THE FOUR SECTORS CAPITAL NOW WANTS

NOTE The order is this note's classification, from open to closed. The lead evidence for each is set out in its sub-force.



SOURCE Odit Frontier Partners. Evidence as cited in Sub-forces 08A to 08D.

Each position on the spectrum has its own sign, and Table F8.3 sets out how to recognise it. The signs are what an observer would see in the market if a sector sits at that position, and each sub-force tests its sign against the 2026 record.

Table F8.3 THE FOUR POSITIONS ON THE SPECTRUM OF ACCESS: WHAT CONSTRAINS THE FUND, WHAT IS ATTACKED, AND THE SIGN OF EACH

NOTE Read with Figure F8.2. Each row is a sub-force, set out in full in the pages that follow.

Sub-force and position	What constrains the fund	What it attacks	The sign to look for
08A Climate Open but crowded	Concentration: many vehicles entering a narrow set of companies	The fund's share of a crowded theme	Money rising while a few companies take most of it; new single-theme vehicles closing on blended terms
08B AI and software Thin, and the moat erodes	Few real AI businesses at entry; software moats eroding by exit	The universe at entry, and the exit thesis	Theme labels outrunning substance; software sale prices falling in the global exit market
08C Critical minerals Permitted, by another route	Route and ticket size: capital arrives directly, from states and development lenders	The fund's reach	Large financings with no fund in the investor list
08D Hydrocarbons Closed by mandate	Exclusion: the fund's development investors bar the sector, including through funds	The fund's mandate	The largest strategic cheques going to a sector absent from fund mandates

SOURCE Odit Frontier Partners.

That produces a cleaner statement of this force than the one it replaces. For machine intelligence the constraint is a thin investable universe. For climate it is concentration inside a universe several vehicles are entering at once. For critical minerals the constraint is neither: the capital is available and the theme is open, but the route runs through strategic, sovereign and direct development-finance channels rather than through a pooled vehicle. And a further implication follows. Historical mandate language can lag the capital market even where no formal exclusion ever existed, because a manager's stated universe was written against what a sector was called rather than against what it is now understood to be for.

Thematic concentration cuts both ways, and the first point against this force is that a large theme is an opportunity before it is a constraint. Climate technology becoming the largest African venture sector is capital arriving, not capital departing, and a manager with genuine capability in it faces a larger addressable pool than existed five years ago. The second is that thematic capital is not the whole market: the 2026 record in Force 02 spans refining, agricultural commodities, mining, mobility, listed consumer technology and digital infrastructure, most of which sit outside any of these themes. And the third is that no evidence was found that African managers are failing to raise because their pipelines fall outside favoured themes. ***The claim that thematic concentration is binding on African intermediaries is a proposition about direction, and no measurement of it was identified.***

IMPORTANT CAVEAT

Force 08 is a proposition about direction, not a measurement that African funds are failing to raise because of it. The claim is not that capital flows only to these four sectors; the 2026 record spans many others. It is that global and strategic capital is concentrating, that Africa's capacity to absorb it differs sharply by sector, sometimes for want of companies and sometimes for want of a route or a mandate, and that the fund sits between an upstream that is increasingly specific about what it wants and a downstream that cannot be reorganised to match on demand.

The fitness question is therefore one no amount of fundraising skill answers. Given where capital now wants to go, does this institution have a deep enough investable universe inside those themes to deploy at scale, does it have a credible route into them at all, and can it demonstrate that the assets inside it are the substance of the theme rather than its vocabulary?

Force 08 is therefore set out as four sub-forces, each in the same shape as the other forces. They are lettered 08A to 08D in order along the spectrum, from open to closed. Each is a compression, because in none of them does anything take the fund's function; what narrows is the ground on which it can perform it.





SUB-FORCE 08A

OF FORCE 08 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the loins of the formation, Figure 1.8

Climate Concentration

Many vehicles entering a climate theme whose money is concentrated in a few companies

> **Attacks the Fund's Share of a Crowded Theme**: whether the fund can win a share of a theme many vehicles are entering at once

WHAT THIS COVERS

Climate companies with enough scale to absorb institutional capital; a pipeline beyond the few companies that raise most of the money; and an equity product in a sector where close to half the money comes as debt or hybrid finance.

1 What Sub-force 08A is: a crowded theme

Sub-force 08A, Climate Concentration, is many investment vehicles entering a climate theme in which most of the money goes to a few companies. Climate is the sector where global appetite and African supply overlap most, which makes it the open end of Force 08's spectrum. The constraint is not a shortage of capital or a closed door. It is crowding: a narrow set of companies able to absorb institutional money, and a growing number of vehicles competing for them, many of them offering debt or blended terms rather than equity. Table F8A.1 sets the sub-force out in one line.

Table F8A.1 SUB-FORCE 08A IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 08A, Climate Concentration
Who or what attacks	Climate funds, blended platforms and lenders entering the same theme at once
What it takes over	Nothing is absorbed: the fund's share of the theme narrows
Where in the fund	The portfolio and the universe of climate companies it is drawn from
What the fund loses	Differentiation, and access to the few companies that raise most of the money
Kind of force	Compression: open but crowded

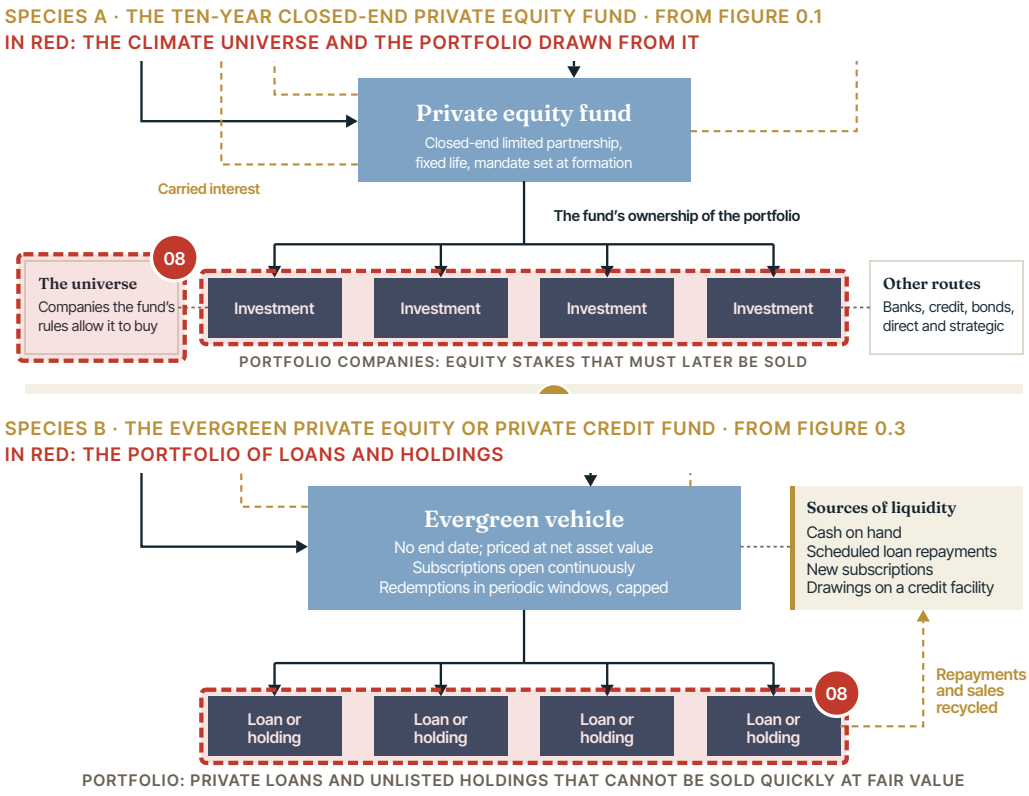
SOURCE Odit Frontier Partners.

2 What 08A attacks, and where that sits in the two species

08A attacks the fund's share of a crowded theme: whether it can win deals in a sector many vehicles are entering at once. The share has three parts: depth, the number of companies large enough to absorb institutional money; spread, how far beyond the leading few the money reaches; and instrument, whether companies want equity or debt. In both species they sit in the portfolio and the universe it is drawn from. Figure F8A.1 marks where, and Table F8A.2 defines each part.

Figure F8A.1 WHERE SUB-FORCE 08A ATTACKS: THE PORTFOLIO AND THE UNIVERSE OF CLIMATE COMPANIES, IN SPECIES A AND SPECIES B

NOTE Cropped to the fund and its portfolio, as drawn in Figures 0.1 and 0.3.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F8A.2 WHAT SUB-FORCE 08A ATTACKS: EACH PART OF THE FUND'S SHARE, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F8A.1.

Part	What it is	In Species A	In Species B
Depth	The number of climate companies large enough to absorb institutional money	Equity stakes in the portfolio	Loans and holdings in the portfolio
Spread	How far beyond the leading few companies the money reaches	The fund's pipeline beyond the best-known names	The same
Instrument	Whether climate companies want equity, or debt and hybrid finance	A fund that writes only equity meets companies seeking debt	A credit vehicle fits the debt; an equity vehicle does not

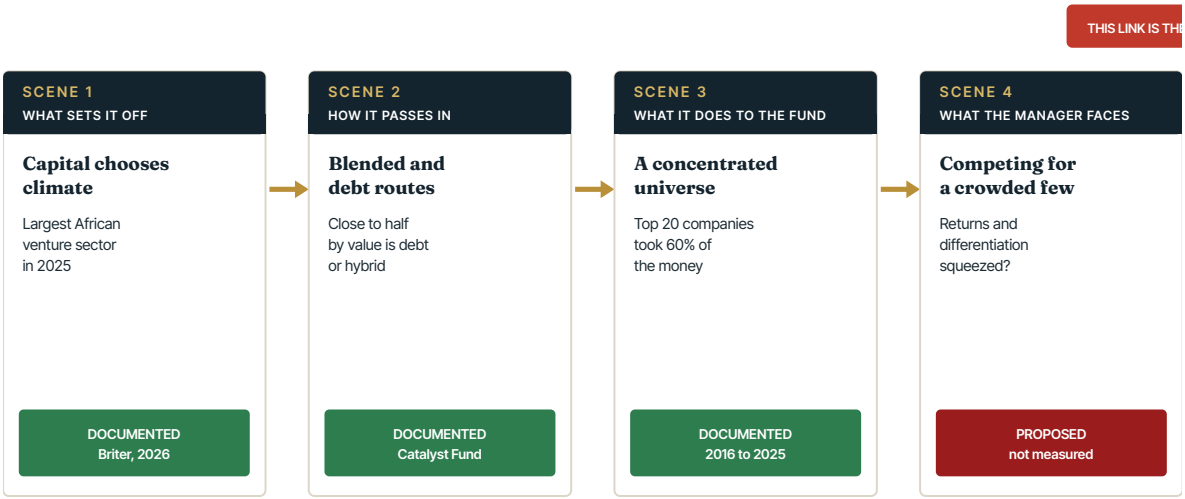
SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

08A reaches the fund in four scenes, of which the first three are documented and the fourth is this note's proposition. Figure F8A.2 shows the chain: capital chooses climate, arrives through blended and debt routes, enters a concentrated set of companies, and leaves the fund manager competing for a crowded few. Each scene is explained below the figure, with its sign.

Figure F8A.2 HOW SUB-FORCE 08A REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Red: this note's proposition. The evidence for each scene is set out in Part 4, Table F8A.3.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: CAPITAL CHOOSES CLIMATE

In 2025 climate technology became the largest destination for African venture capital, ahead of financial technology for the first time. The sign of this scene is the sector's share of disclosed investment rising, to close to 40% in 2025.

SCENE 2 · HOW IT PASSES IN: THROUGH BLENDED AND DEBT ROUTES

Climate money reaches Africa largely as debt and through blended vehicles in which development and catalytic investors take the first loss. The sign of this scene is new climate funds closing with catalytic anchors, and debt and hybrid finance making up close to half of climate funding by value.[120]

SCENE 3 · WHAT IT DOES TO THE FUND: A CONCENTRATED UNIVERSE

The money concentrates in a few companies, so the vehicles entering the theme compete for the same names. The sign of this scene is the share taken by the leading companies, which Figure F8A.3 shows.

SCENE 4 · WHAT THE FUND MANAGER FACES: COMPETING FOR A CROWDED FEW

A fund manager entering climate competes with specialist funds, blended platforms and lenders for a small set of companies, which is crowding rather than abundance. Whether that compresses returns and differentiation is not established by the data. The sign would be rising entry prices or falling returns for climate vehicles, and no such measure was found.

4 The evidence, scene by scene

The evidence for 08A is strong on the size and concentration of the theme, and absent on what crowding does to returns. Table F8A.3 sets out each scene; Figure F8A.3 shows the concentration; Table F8A.4 lists the climate vehicles that closed in 2026 and on what terms.

Table F8A.3 THE EVIDENCE FOR SUB-FORCE 08A, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Capital chooses climate	Climate draws a rising share of African investment	US$1.5bn in 2025, close to 40% of disclosed startup investment; US$6.35bn across 779 companies since 2016	A large theme is capital arriving, not leaving	DOCUMENTED
2. Blended and debt routes	Climate money arrives largely as debt or through blended vehicles	Debt and hybrid close to half of funding by value. 2026 climate funds closed with catalytic first-loss anchors	Some vehicles target domestic pension money directly	DOCUMENTED
3. A concentrated universe	A few companies take most of the money	Top 20 companies 60% of funding; top 10 as much as all the others; energy about 65% from 2019 to 2025	Adaptation, 16% of funding, is less crowded	DOCUMENTED
4. Competing for a crowded few	Crowding compresses returns or differentiation	None measured	No African manager found failing to raise for this reason	PROPOSED

SOURCE As cited in this part.

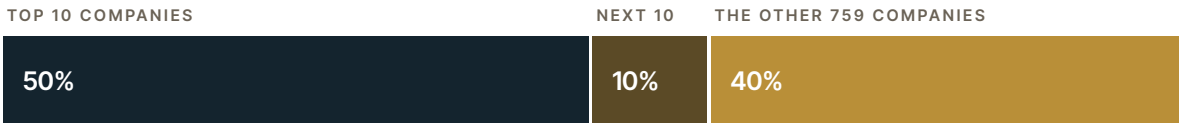
Climate is where global appetite and African supply overlap most, and the concentration inside it is the finding. Briter, with Catalyst Fund, BFA Global and FSD Africa, records US$6.35bn of disclosed climate technology funding across 779 African companies between 2016 and 2025. In 2025 the sector raised

120 Catalyst Fund, The State of ClimateTech in Africa 2.0: looking beyond the headline numbers, July 2026.

US$1.5bn, close to 40% of all disclosed African startup investment, and overtook financial technology as the largest venture sector for the first time. Within that, the top twenty companies captured 60% of all climate funding across the decade, and the top ten raised as much as every other company in the sector combined. Energy accounted for roughly 65% of funding between 2019 and 2025.[121]

Figure F8A.3 CONCENTRATION INSIDE AFRICAN CLIMATE TECHNOLOGY FUNDING, 2016 TO 2025

NOTE Briter with Catalyst Fund, BFA Global and FSD Africa. The top ten companies raised as much as every other company in the sector combined, across 779 companies and a decade.



SHARE OF US$6.35BN DISCLOSED AFRICAN CLIMATE TECHNOLOGY FUNDING, 2016 TO 2025

SOURCE Briter, with Catalyst Fund, BFA Global and FSD Africa, The State of ClimateTech in Africa 2.0, June 2026.

The inference drawn here is this note's, not the report's. A theme that is simultaneously the largest destination for African venture capital and concentrated to that degree is not a wide opportunity set. It is a narrow one that a growing number of vehicles are entering, which is a description of crowding rather than of abundance. Whether that compresses returns and manager differentiation is not established by the data and is not asserted here.

The 2026 climate vehicles show how the theme is reached: through single-theme funds anchored by development and catalytic capital, often with protection for private investors. Table F8A.4 lists them. Each was anchored by development or catalytic investors, and two were built expressly to draw in domestic pension money.[122][123][124]

Table F8A.4 CLIMATE VEHICLES THAT CLOSED OR WERE APPROVED IN 2026, AND ON WHAT TERMS

NOTE Some fundraises have been left out editorially; this is not a comprehensive list.

Vehicle	Date	Size and status	Anchors	Structure
Persistent Africa Climate Venture Fund	Mar 2026	US$52m first close against US$70m	FSD Africa Investments, Nordic Development Fund, AfDB's Sustainable Energy Fund for Africa; JICA and others	Blended: first-loss and priority-return protection for private investors
ARM-Harith Climate Transition Fund	Jun 2026	About US$76m first close against US$200m	US$20m catalytic capital from FSD Africa Investments and AfDB	Dollar and local-currency investment in one vehicle, to draw domestic pension funds
SA-H2 Fund, Climate Fund Managers	Aug 2026	About US$182m (R3.0bn) first close	European Commission, Invest International, PIC for GEPF, Sanlam Life, IDC	Single-theme blended fund for green hydrogen
Climate Investor Three, Climate Fund Managers	Oct 2026	US$140m approved by the Green Climate Fund toward a US$1.2bn target	Green Climate Fund, through the Development Bank of Southern Africa	Catalytic tranches for project development and construction equity

121 Briter, with Catalyst Fund, BFA Global and FSD Africa, The State of ClimateTech in Africa 2.0, June 2026.
122 Africa Global Funds, Persistent launches US$70m Persistent Africa Climate Venture Fund, 11 March 2026.
123 Pulse 2.0, ARM-Harith achieves US$76m first close for Climate Transition Fund, 11 June 2026.
124 Green Building Africa, Climate Fund Managers wins US$140m GCF approval for industrial decarbonisation in Southern Africa, 29 October 2026.

SOURCE Africa Global Funds, 11 March 2026; Pulse 2.0, 11 June 2026; OFP LinkedIn Intelligence Register; Green Building Africa, 29 October 2026.

The register's cases show climate capital arriving through narrow, sovereign and multilateral vehicles. Table F8A.5 sets them out.[125]

Table F8A.5 CASES FROM THE RECORD FOR SUB-FORCE 08A, BY SCENE

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
2	**At work:** SA-H2 green hydrogen fund first close	Aug 2026	Climate Fund Managers reached a first close of about US$182m (R3.0bn) for a blended fund for green hydrogen projects in Southern Africa, with the European Commission, Invest International, the PIC for GEPF, Sanlam Life and the IDC.	A single-theme vehicle drawing public, development and domestic institutional capital at once.	African-Startups, via LinkedIn.
2	**At work:** Nigeria Distributed Renewable Energy Fund launched	c. Oct 2026	NSIA, Africa50 and SEforALL launched a US$300m fund, co-managed by NSIA and Africa50, with an initial US$25m from the World Bank's IDA. Another record reports a target of US$200m.	Thematic capital arriving through sovereign and multilateral co-managers. The size is reported inconsistently.	LinkedIn posts.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

08A is a finding about concentration, not about returns. Climate becoming the largest African venture sector is capital arriving, and a fund manager with real capability in it faces a larger pool than five years ago. Whether crowding compresses returns or differentiation is not established by the data and is not asserted here.

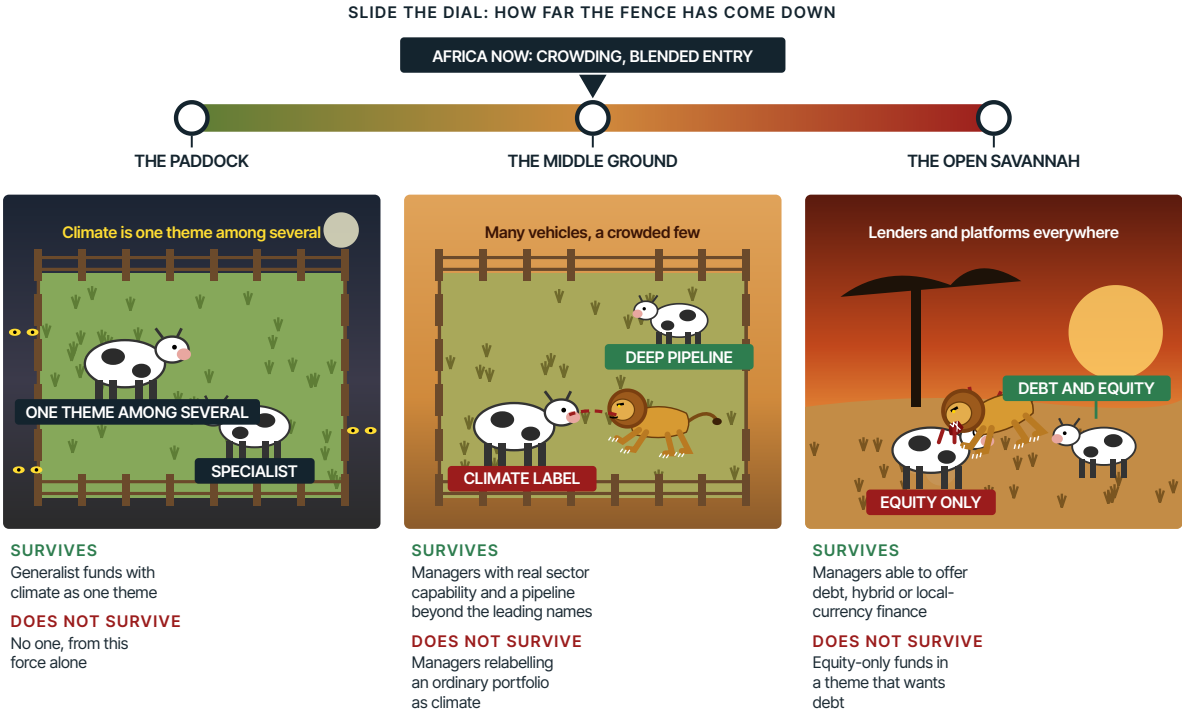
5 Sliding the dial: who survives Sub-force 08A, and who does not

How much damage 08A does depends on how crowded the theme becomes. In the paddock a fund holds climate as one theme among several. In the middle ground specialist and blended vehicles crowd the leading companies. On the open savannah equity funds compete with lenders, platforms and strategic buyers for every climate company. Figure F8A.4 and Table F8A.6 set out who survives at each position. The marker shows where this note reads the market now: in the middle ground.

125 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Figure F8A.4 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 08A AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Generalist funds with climate as one theme

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Managers with real sector capability and a pipeline beyond the leading names

DOES NOT SURVIVE
Managers relabelling an ordinary portfolio as climate

SURVIVES
Managers able to offer debt, hybrid or local-currency finance

DOES NOT SURVIVE
Equity-only funds in a theme that wants debt

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this sub-force.

Table F8A.6 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FUND'S SHARE, WHO SURVIVES SUB-FORCE 08A AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind the figure above. All three right-hand columns are this note's proposition.

Position	What happens to the fund's share	Survives	Does not survive
The paddock Fence holds	Climate is one theme among several in a broad mandate.	Generalist funds holding climate companies alongside others.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	Specialist funds and blended vehicles crowd the leading climate companies.	Managers with real sector capability and a pipeline beyond the leading names, including adaptation.	Managers relabelling an ordinary portfolio as climate.
The open savannah No fence	Equity funds compete with lenders, platforms and strategic buyers for every climate company.	Managers able to offer debt, hybrid or local-currency finance alongside equity.	Equity-only funds in a theme where close to half the money is debt.

SOURCE Odit Frontier Partners.

6 What Sub-force 08A leaves the African private equity fund

The fitness question 08A leaves is about share. In a theme many vehicles are entering at once, what can this fund manager find, and offer, that the others cannot?

What would move Scene 4 from proposition to finding is a measure of what crowding does to returns. It would take entry valuations or realised returns for African climate vehicles by vintage, set against the number of vehicles active in the theme. The register is the place this note will look for each.

In short, climate is where capital and African supply overlap most, and that is why it is crowded. The theme is open and growing, but its money concentrates in a few companies and arrives largely as debt or through blended vehicles. A fund manager entering it is competing, not discovering.





SUB-FORCE 08B

OF FORCE 08 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the loins of the formation, Figure 1.8

AI and Software Compression

Few real AI businesses to buy, and software bought today losing its scarcity before it is sold

> **Attacks the Universe at Entry and the Exit Thesis**: whether there are real AI businesses to buy, and whether software bought today will still be scarce when sold

WHAT THIS COVERS

Real AI businesses, not AI labels, at each layer of the AI value chain; and, at exit, the advantages a buyer pays for in a software company: proprietary code, subscription pricing per human user, content sold as the product, human agents sold by the hour, and speed to market.

1 What Sub-force 08B is: few real AI businesses to buy, and software losing its scarcity

Sub-force 08B, AI and Software Compression, is capital wanting AI when there are few real AI businesses in Africa to buy, while the software the fund already buys may lose its scarcity before it is sold. It works at both ends of a fund's life. At entry, the universe is thin: many companies are described as AI, few are AI in substance. At exit, the advantage a buyer pays for in a software company, its code, can increasingly be produced by a machine. Table F8B.1 sets the sub-force out in one line.

Table F8B.1 SUB-FORCE 08B IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 08B, AI and Software Compression
Who or what attacks	At entry, capital screening for AI substance; at exit, buyers who can commission with AI what they once had to acquire
What it takes over	Nothing is absorbed: the universe narrows at entry, and the value of code narrows by exit
Where in the fund	The universe the fund buys from, and the equity stakes it must later sell
What the fund loses	A wide AI universe, and the exit value of software holdings whose moat is their code
Kind of force	Compression: thin at entry, eroding by exit

SOURCE Odit Frontier Partners.

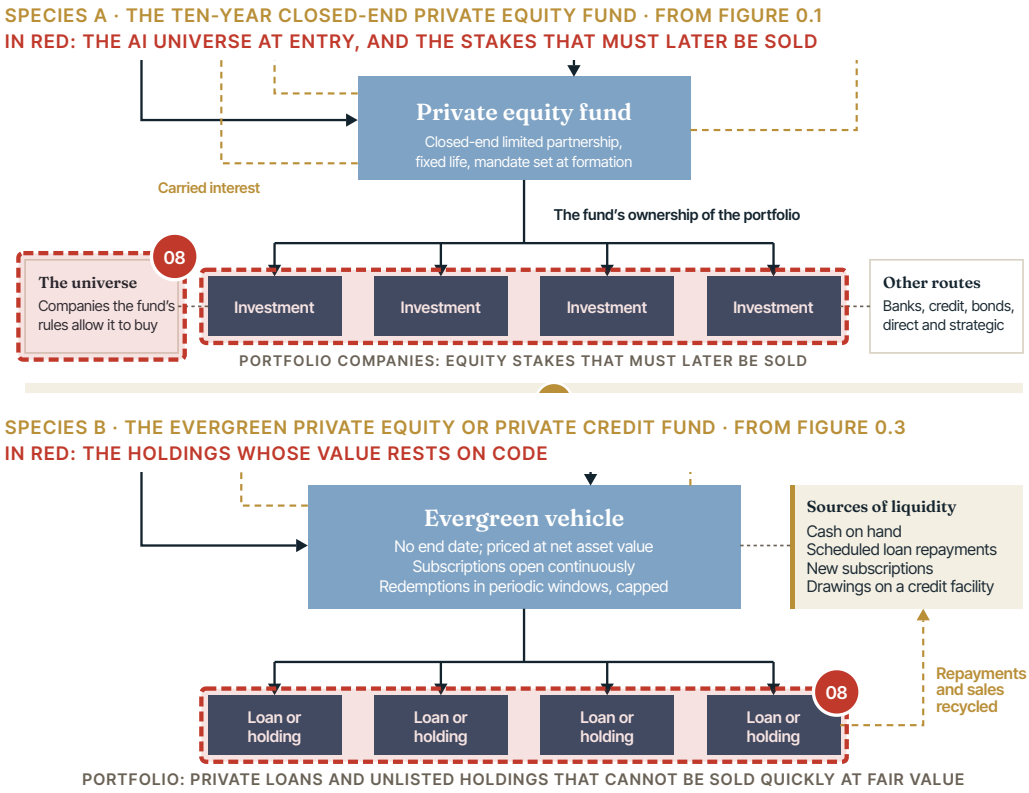
2 What 08B attacks, and where that sits in the two species

08B attacks two things: the universe at entry, and the exit thesis. The universe at entry is the number of real AI businesses at each layer of the AI value chain. The exit thesis is the advantage the fund underwrote when it bought a software company and expects a buyer to pay for when it sells. In Species A both sit in the universe and in the equity stakes that must later be sold; in Species B, in the holdings. Figure F8B.1 marks where, and Table F8B.2, the collision map, sets the moat underwritten at entry against what a machine can now reproduce.



Figure F8B.1 WHERE SUB-FORCE 08B ATTACKS: THE UNIVERSE AT ENTRY AND THE STAKES SOLD AT EXIT, IN SPECIES A AND SPECIES B

NOTE Cropped to the fund and its portfolio, as drawn in Figures 0.1 and 0.3.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F8B.2 COLLISION MAP: THE MOAT UNDERWRITTEN AT ENTRY, AGAINST WHAT A MACHINE CAN NOW REPRODUCE

NOTE The left column is what a fund paid for in a software company; the right is what an AI tool can now produce.

The moat underwritten at entry	What a machine can now reproduce
Proprietary code and features built by a large engineering team	Comparable features produced by AI coding tools at a fraction of the cost and time
Subscription pricing per seat, tied to the number of human users	AI agents doing the task, so the customer needs fewer seats
Content, answers and explanations as the product	General-purpose models answering the same question at no cost to the user
Human agents and analysts sold by the hour	Agents handling routine voice, text and back-office work
Speed to market as the advantage	The same speed, available to every competitor at once

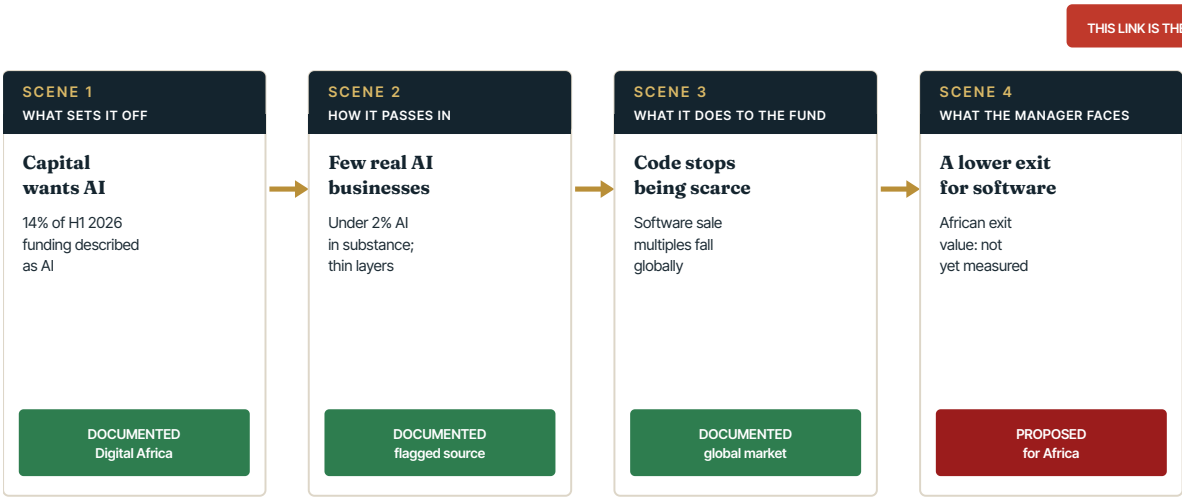
SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

08B reaches the fund in four scenes: two documented in Africa, one documented in the global exit market, and the fourth this note's proposition. Figure F8B.2 shows the chain. Each scene is explained below the figure, with its sign.

Figure F8B.2 HOW SUB-FORCE 08B REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Red: this note's proposition. The evidence for each scene is set out in Part 4, Table F8B.3.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: CAPITAL WANTS AI

Investors want exposure to AI, and companies describe themselves in its language. The sign is the share of funding going to companies described as AI, about 14% of African startup funding in the first half of 2026.

SCENE 2 · HOW IT PASSES IN: FEW REAL AI BUSINESSES

Behind the label, the African AI universe is thin at most layers of the AI value chain. The sign is the gap between the label and the substance: about 2% of funding went to companies that are AI in substance, and Table F8B.4 shows the layers.

SCENE 3 · WHAT IT DOES TO THE FUND: CODE STOPS BEING SCARCE

When a competent application can be assembled by a machine in hours rather than by a funded engineering team over years, code stops being a barrier to entry. A business whose defensibility is its code is then offering a buyer, at exit, something the buyer can increasingly commission rather than acquire. What follows is this note's proposition rather than a reported finding, and most of the evidence for it is global rather than African. It is stated because the exit market an African software asset will eventually be sold into is that global market, and it is already repricing.

SCENE 4 · WHAT THE FUND MANAGER FACES: A LOWER EXIT FOR SOFTWARE

A fund that buys a software company in 2026 sells it in 2029 or later, into a global market that is already repricing code. The sign would be African software exits at lower prices, or to fewer buyers, than the fund underwrote. No African measurement was found, which is why this scene is a proposition.

4 The evidence, scene by scene

The evidence for 08B is African at entry and global at exit. Table F8B.3 sets out each scene. Figure F8B.3 and Table F8B.4 take the entry side; Tables F8B.5 and F8B.6 the exit side.

Table F8B.3 THE EVIDENCE FOR SUB-FORCE 08B, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; flagged means the source is reported analysis rather than a released dataset; proposed means this note's argument.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Capital wants AI	A rising share of funding goes to companies described as AI	About 14% of African startup funding in the first half of 2026	A named executive's analysis reported through trade coverage, not a released dataset	DOCUMENTED
2. Few real AI businesses	Few companies are AI in substance	Under 2% to companies AI in substance; the first dedicated African AI fund closed at US$21m	The application layer is wide, with 311 mapped businesses	DOCUMENTED flagged
3. Code stops being scarce	Software sale prices fall as AI reproduces code	Median private equity SaaS multiple 20.4x in 2025 to 11.7x in the first half of 2026; Chegg, Concentrix and IT services	Global SaaS M&A at a decade high, US$439.7bn, to strategic buyers	DOCUMENTED global
4. A lower exit for software	African software exits reprice	None measured; African shutdowns in 2026 cite funding and compliance, not AI	No African measurement	PROPOSED for Africa

SOURCE As cited in this part.

THE ENTRY SIDE: A THIN UNIVERSE

Artificial intelligence is where the gap between global appetite and African supply is widest. On analysis by Digital Africa covering the first half of 2026, companies described as artificial-intelligence related accounted for about 14% of the amount raised by African startups, while genuinely machine-native companies received about 2%. These are shares of money raised, not of the number of companies, and the line between the two groups is Digital Africa's own classification. The same analysis records the number of African startups raising at least US$100,000 falling to 190, the lowest since 2021, and the US$100,000 to US$500,000 band falling from 377 companies in 2021 to 170 in 2025.[126] **This rests on a single published analysis using its own classification rather than on an audited industry standard, and is used because it is the only African measure of the distinction between thematic labelling and thematic substance that was identified.**

126 Digital Africa, The Missing First Cheque: Why African Pre-Seed Keeps Shrinking, 8 September 2026, classifying 194 African startups that raised in the first half of 2026; also reported by BusinessDay, 3 September 2026.

Figure F8B.3 THEMATIC LABEL AGAINST THEMATIC SUBSTANCE, AFRICAN STARTUP FUNDING, FIRST HALF OF 2026

NOTE Shares of the amount raised, not of the number of startups. The split between AI-related and AI-native companies is Digital Africa's classification, not an audited industry standard. It is the only African measure of the distinction that was identified.



SOURCE Digital Africa, The Missing First Cheque: Why African Pre-Seed Keeps Shrinking, 8 September 2026, classifying 194 African startups that raised in the first half of 2026. Also reported by BusinessDay, 3 September 2026.

The distance between 14% and 2% is the mechanism in a single comparison. It is the difference between a portfolio that can be described in the language capital is using and one that can survive examination in it.

Read layer by layer, the African AI universe is deep only where the tickets are large and reached directly. Table F8B.4 sets out each layer of the AI value chain, the African businesses in it, and its depth for a pooled fund.

Table F8B.4 THE AFRICAN AI UNIVERSE, BY LAYER OF THE AI VALUE CHAIN

NOTE African AI businesses by layer of the AI value chain, from the Briter report and the register. The last column judges how much a pooled fund could deploy at each layer.

Layer of the AI value chain	Named African businesses in the Briter report	Other African cases in the register	What the Briter survey records	Depth for a pooled fund
Capital and infrastructure: compute, data centres, power, connectivity and data	Aya Data (data annotation and AI services, Ghana). Amini (environmental data infrastructure from satellite imagery, Kenya).	WIOCC Group: US$300m from AFC and Vision Invest, then US$155m from DFC. Raxio Data Centres: stakes expanded by Meridiam and Roha Group. Cassava's African AI Factory hosting NVIDIA models. Satlyt: US$8m seed for data centres in space. Cybastion (Cameroon, US$75m) and AMACO (Mombasa, US$1.5bn) data centre plans.	Africa holds under 1% of global data centre capacity against about 18% of the world's population. 65% of surveyed businesses name cloud and compute as their single highest cost.	Deep, but large-ticket, and reached directly: the WIOCC financings sit in the Force 02 table.

Layer of the AI value chain	Named African businesses in the Briter report	Other African cases in the register	What the Briter survey records	Depth for a pooled fund
Capital: the finance layer	None named.	Enza Capital's AI Africa Fund: US$21m first close against US$60m. LLH Capital: a planned US$200m AI fund. Nairobi Securities Exchange: a planned AI exchange-traded fund.	Businesses founded before 2020 hold over 75% of the mapped ecosystem's disclosed funding. Of surveyed businesses, about 30% are bootstrapped and a quarter have raised under US$500k.	Forming, and small: the first dedicated AI fund closed at US$21m.
Model layer: training and adapting models, here mostly language and speech models for African languages	Awarri (N-ATLAS, a multilingual model launched with Nigeria's federal government). Intron (speech recognition for African accents). Lelapa AI (InkubaLM, a small language model). Vambo AI (Morena, a model for African languages). Khaya AI, LocaleNLP, EqualyzAI and GalsenAI (African-language models and datasets).	None in the register.	About one third of surveyed businesses build models in-house, one third use open-source models, and the rest use third-party interfaces or a hybrid.	Thin. Language and speech models, some built with governments; no frontier model developer.
Platform layer: AI embedded as tools and infrastructure others build on	InstaDeep (acquired by BioNTech in 2023 for £562m). Synapse Analytics (AI decisioning for banks). WideBot and ToumAI (conversational and voice AI). DevisionX and Avidbeam (computer vision and video analytics). Thunders (AI software testing). Cortex Logic.	Synapse Analytics: US$13m Series A led by Partech. Verascient: US$1.2m pre-seed for enterprise AI infrastructure.	Software is the largest sector in the mapping, a catchall for businesses building AI tools and platforms used across industries.	Thin. The best-known outcome is InstaDeep's sale to a foreign strategic buyer; current rounds are seed to Series A.
Application layer: AI applied to a specific sector or task	Acre Insights, Ignitia, Soil Solutions (agriculture). Myltura, Venille, AI Diagnostics (health). Danaya, Cosmobits (compliance, credit). The Awareness Company (operations). Skilladder (workforce skills).	Healthleap: US$38m seed and Series A from Sequoia, First Round and Hummingbird. Bridgement: US$20.3m from RMB and Standard Bank. Cue: US$5m from Knife Capital and FAM Investments. Optasia: US$330m refinancing.	Of 311 mapped businesses, 44% are AI-native and the rest AI-enabled, concentrated in existing sector verticals. One surveyed business had raised US$10m to US$50m.	The widest layer, and mostly small tickets. Larger rounds come from global venture firms and banks.
Governance and permission layer: rules, data access and public partnerships	None named.	Rwanda: a three-year partnership with Anthropic, and an AI education cloud.	49% of surveyed businesses rank cross-border data harmonisation as a priority intervention; 18% would join a regulatory sandbox.	Not an investable layer; it sets the terms for the others.

SOURCE GIZ AI Made in Africa and Briter, AI Made in Africa: Voices from AI businesses across Africa, October 2026, Figure 1 and survey findings. Odit Fronti- er Partners, Artificial Intelligence: A Retrospective on the First Public Cycle, 3 January 2026, sections 5 and 7. OFP LinkedIn Intelligence Register, read as at 14 November 2026.

THE EXIT SIDE: SOFTWARE MOATS ERODING

Measured directly, AI has cut the time it takes people to write some code sharply, but not every time and not evenly. In a controlled experiment published in 2023, 95 professional developers asked to build a web server in JavaScript took 161 minutes on average without GitHub Copilot and 71 minutes with it, about 56% less.[127] In a 2024 trial among 96 Google engineers on an enterprise task, AI cut time by about 21%, with a wide margin of uncertainty.[128] In early 2025, 16 experienced developers working in codebases they knew well took 19% longer with AI.[129] In a study published in 2026, 60 participants finished Python tasks in 25.0 minutes with AI against 32.1 without, about 22% less.[130] METR's follow-up finds developers are likely faster now, but says its own estimates are too distorted by who chose to take part to size the gain.[131] These are separate experiments on different tasks and people, not a yearly series.

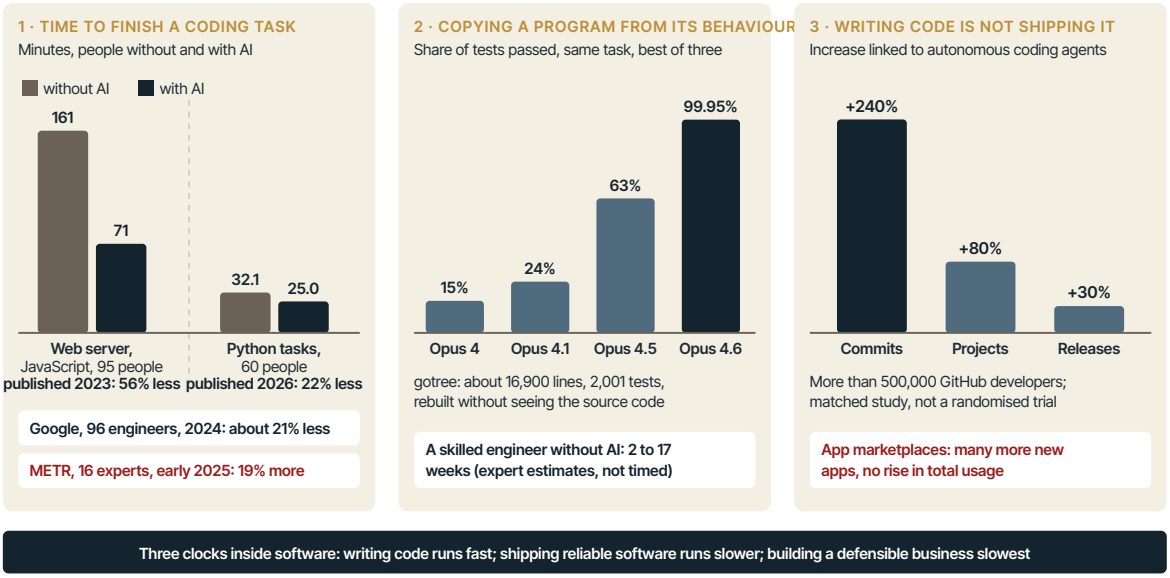
Copying software from its behaviour has moved faster still. In MirrorCode, published by Epoch AI with METR in April 2026, AI agents had to rebuild gotree, a program of about 16,900 lines checked by 2,001 tests, without seeing its source code. On a best-of-three basis, Claude Opus 4 passed 15% of the tests, Opus 4.1 24% and Opus 4.5 63%; Opus 4.6 passed 99.95%. Four researchers estimated that a skilled engineer without AI would need 2 to 17 weeks.[132] This works where behaviour can be specified and checked. It does not show that AI can rebuild a business's data, customers or adoption.

Writing code is not shipping software, and shipping is not selling. Among more than 500,000 GitHub developers, autonomous coding agents were associated with 240% more commits but only 80% more projects and 30% more releases, and across four app marketplaces new apps rose sharply with no rise in total usage.[133] The study matches developers rather than assigning AI at random. Figure F8B.4 sets the three bodies of evidence side by side, each on its own scale.

127 S. Peng, E. Kalliamvakou, P. Cihon and M. Demirer, The Impact of AI on Developer Productivity: Evidence from GitHub Copilot, arXiv 2302.06590, February 2023; GitHub, Research: quantifying GitHub Copilot's impact on developer productivity and happiness.
128 How much does AI impact development speed? An enterprise-based randomized controlled trial, arXiv 2410.12944, October 2024.
129 METR, Measuring the impact of early-2025 AI on experienced open-source developer productivity, 10 July 2025.
130 G. Fan, D. Liu, L. Pan and R. Zhang, When Help Hurts, CHI 2026, doi 10.1145/3772318.3791176.
131 METR, uplift study update, 24 February 2026.
132 Epoch AI, MirrorCode: preliminary results, 10 April 2026, developed with METR.
133 M. Demirer, L. Musolff and L. Yang, Writing Code vs. Shipping Code: Productivity Effects Across Generations of AI Coding Tools, NBER Working Paper 35275, May 2026, revised September 2026.

Figure F8B.4 SOFTWARE COMPRESSION, 2023 TO 2026: FROM WRITING CODE TO COPYING SOFTWARE

NOTE Three separate bodies of evidence, each with its own unit and sample. Panel 1 shows two experiments on different tasks, not a trend. Panel 2 shows one task attempted by successive models, best of three runs for the first three. Panel 3 shows changes linked to autonomous coding agents in a matched study.



SOURCE Peng and others, February 2023, and GitHub. Google engineers trial, October 2024. METR, 10 July 2025. Fan and others, CHI 2026. Epoch AI, MirrorCode, 10 April 2026. Demirer, Musolff and Yang, NBER Working Paper 35275, revised September 2026.

The chain from cheaper code to a lower exit has four links, and only the first is measured. Writing and copying code are getting cheaper; that is measured. Cheaper software alternatives may follow; the rise in new apps is an early sign. Pressure on the scarcity and pricing of software features is proposed. Lower software earnings and exit valuations are this note's proposition. What a competitor cannot easily reproduce is the value the software delivers: proprietary data, distribution, customer trust, switching costs, validated operating logic, integration and regulatory standing, as Table F8B.6 sets out. The most exposed businesses are those whose advantage rests mainly on code being hard to reproduce. Inside software the same three clocks run as in Figure 3.8: writing code, shipping reliable software and building a defensible business, at different speeds. None of this turns the 2027 to 2031 windows into dates of displacement.

The erosion of software moats is not uniform, and Table F8B.5 separates what is eroding now from what is not. Each technology vertical is read for what is being lost, why, the evidence in 2025 and 2026, and what survives inside it.

Table F8B.5 TECHNOLOGY VERTICALS IN 2026: WHAT IS ERODING, WHY, AND WHAT SURVIVES

NOTE Technology verticals and what AI is eroding in each. Entries reflect editorial selection and are not exhaustive.

Vertical	What is eroding	Why and how	Live evidence, 2025 to 2026	What survives
Horizontal software and SaaS	Subscriptions priced per seat, and feature moats	Agents do the work a seat paid for; features are cheap to replicate	PitchBook with Forvis Mazars: the median multiple of enterprise value to earnings on private equity SaaS deals fell from 20.4x in 2025 to 11.7x in the first half of 2026. PitchBook: 75 of more than 220 fallen unicorns are software companies; companies last valued in 2021 are worth 68% less on average.	Systems of record holding proprietary data, and software embedded in regulated workflows
Education technology: content, tutoring, homework help	Paid answers and explanations	General-purpose models answer the same question, free at the point of use	Chegg cut about 45% of its staff in October 2025, citing "the new realities of AI and reduced traffic from Google".	Accredited credentials, and distribution through schools and governments, where Briter finds education businesses scale through institutional partners
Customer service, call centres and business process outsourcing	Human agents sold by the hour	AI agents take routine voice and text support	Concentrix cut its 2026 revenue outlook in June 2026; its shares fell more than 21% before the open and Teleperformance's about 13%. Caribou and Genesis Analytics, with the Mastercard Foundation: AI could automate up to 40% of tasks in African outsourcing, with 10% of functions fully resistant. Customer experience roles are 44% of South African outsourcing jobs; entry-level roles are 68% of Kenya's outsourcing workforce.	Complex, regulated, multilingual and trust-heavy work, and operators that sell an AI-run service rather than headcount
IT services and software outsourcing	Billable developer hours	AI coding tools cut the hours a project needs, and clients expect the saving	Latest year: TCS revenue fell 0.5%, Infosys grew 3.1%, Wipro 4% and HCL 11.2%. HCL's chief executive expects "AI deflation" to take 3% to 5% off revenue in the coming year.	Integration into legacy systems, and accountability for outcomes rather than hours
Translation, transcription and content production	Per-word and per-hour work in well-resourced languages	Machine translation and generation at near-zero marginal cost	A Chartered Institute of Linguists poll: over 70% of freelance translators and interpreters reported lower work volumes in 2024.	Low-resource African languages, where global models are thin: the opening Lelapa AI, Intron, Awarri and Vambo AI are building into
Financial technology: the application layer	Payment and wallet apps whose edge is the interface	The interface is cheap to copy; the rails beneath it are not	Financial technology is the second-largest category of fallen unicorns on PitchBook's count, after software.	Licences, float, agent networks and repayment data. Credit is still reaching such businesses: Bridgement, US$20.3m from RMB and Standard Bank

Vertical	What is eroding	Why and how	Live evidence, 2025 to 2026	What survives
African AI application businesses	Margins on thin products built on third-party models	Inputs priced at global rates, products priced at local purchasing power, and the underlying models improve faster than the products built on them	Briter: over half of surveyed African AI businesses price below US$2,500 a year per customer, and 65% name cloud and compute as their single highest cost.	Proprietary local data, and in-house or hybrid models where off-the-shelf models fail, as Briter finds in health and agriculture
Hardware, embedded and asset-backed technology	Little: the product is a physical asset with a data layer	Code can be copied; fleets, panels, sensors and towers cannot	Briter: in logistics and energy, hardware dependency insulates products from the trust problems facing consumer AI. In 2026: M-KOPA Kenya Mobility, US$30m from FMO; Spiro, US$215m of equity; SunCulture, a US$10m receivables securitisation.	The asset itself, and the contracted cash flows it produces

SOURCE PitchBook with Forvis Mazars, H1 2026 State of SaaS Report, 28 September 2026. PitchBook data reported by The Next Web, 1 June 2026. Chegg restructuring, reported by Fox Business, 28 October 2025. Concentrix and Teleperformance share moves, reported by The Next Web, 30 June 2026. Caribou and Genesis Analytics with the Mastercard Foundation, report on AI and African business process outsourcing, reported April 2025. The Register, annual results of TCS, Infosys, Wipro and HCL, 28 April 2026. Chartered Institute of Linguists, poll of work volumes for 2024. GIZ AI Made in Africa and Briter, AI Made in Africa: Voices from AI businesses across Africa, October 2026. OFP LinkedIn Intelligence Register, read as at 14 November 2026.

The erosion moves with the AI curve, and it is happening now, not only at exit. Every advance in what AI can build lowers what a buyer will pay for software whose only advantage is its code. The evidence in Table F8B.5 is from 2026, not from a future exit: SaaS deal multiples fell by more than 40% between 2025 and the first half of 2026, and outsourcing and IT services businesses cut their outlooks. Software investing does not become worthless; investing in code as the moat does. For a fund holding mostly software, this attacks the value it exists to return; for a generalist fund with a few software holdings, it wounds.

Read across the verticals, the survivors share one property: their value rests on something a model cannot produce on demand. Five such moats appear in this note's own record, set out in Table F8B.6.

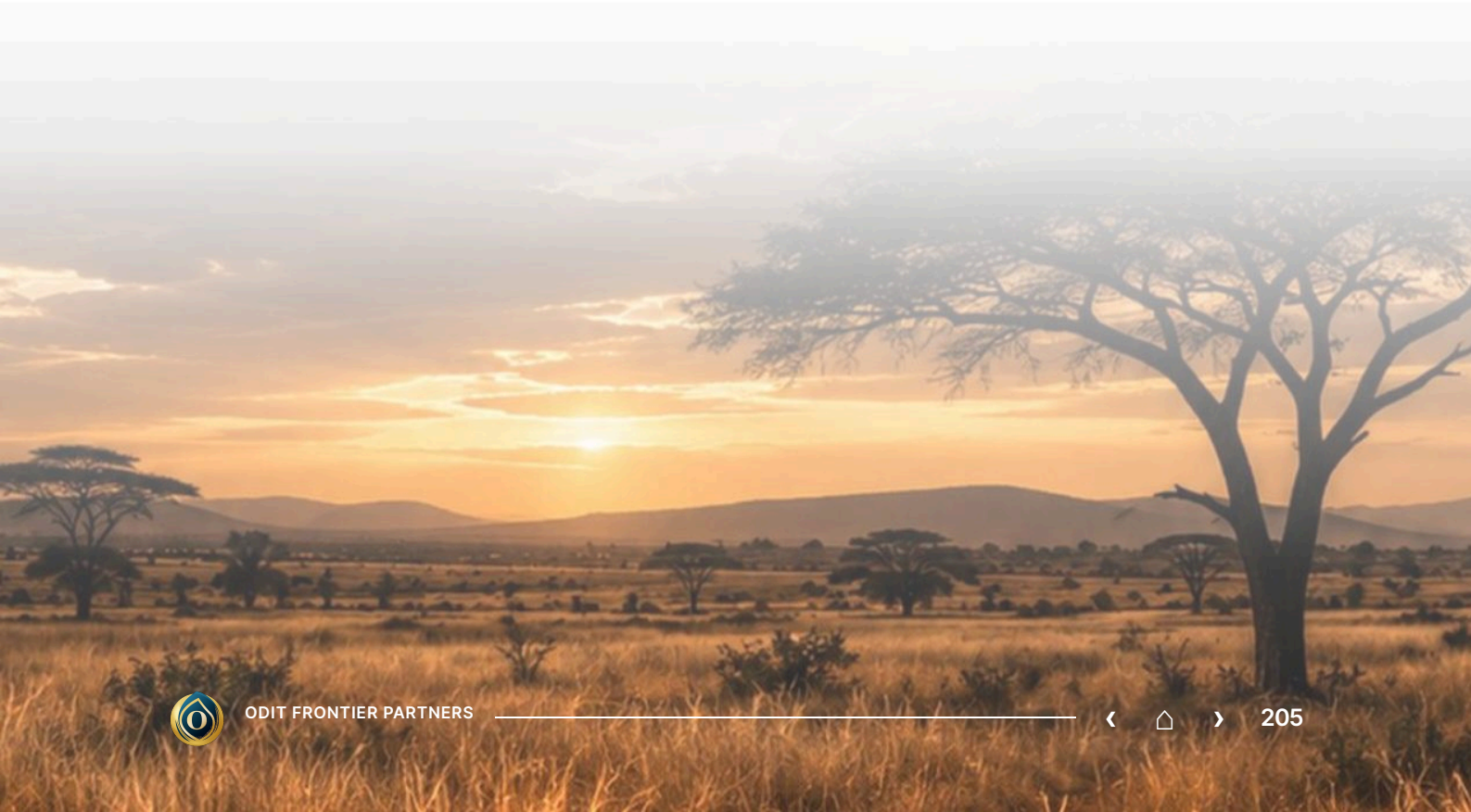


Table F8B.6 WHAT SURVIVES: MOATS A MODEL CANNOT PRODUCE ON DEMAND

NOTE Sources of advantage that hold when software can be replicated cheaply, with where each appears in this note's record.

Moat	Why a model cannot produce it	Where it shows in this note's record
Licences and regulatory standing	Granted by regulators over years, and revocable	Danaya, verifying identities against government and private data sources (Briter). Bank and non-bank credit to licensed lenders in Force 09
Physical assets and networks	Fleets, panels, towers, fibre and data centres exist in the physical world	WIOCC Group and Raxio Data Centres (Force 08 table). M-KOPA, Spiro and SunCulture (Force 09)
Proprietary local data	Collected on the ground over time; global models trained without it perform poorly in African settings (Briter)	Soil Solutions, drawing on more than 350 field officers. Myltura, building its own health datasets
Distribution and trust	Relationships, agent networks and institutional procurement take years; 65% of surveyed AI businesses name customer trust and AI literacy as a barrier (Briter)	The Awareness Company, installing monitoring equipment before its AI can deliver value. 88% of surveyed AI businesses sell to other businesses and 44% to government
Contracted cash flows	Repayment comes from operations rather than from a valuation at exit	Data centres as financeable assets with contracted cash flows (Odit Frontier Partners, 2026 retrospective). The credit instruments in Force 09

SOURCE GIZ AI Made in Africa and Briter, AI Made in Africa: Voices from AI businesses across Africa, October 2026. Odit Frontier Partners, Artificial Intelli- gence: A Retrospective on the First Public Cycle, 3 January 2026, section 7.6. OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Exits have not stopped; they have changed buyer. Global SaaS mergers and acquisitions reached a decade-high US$439.7bn in the first half of 2026, driven by AI-led strategic acquisitions, even as private equity software deals fell to US$58.8bn.[134] A software asset can still be sold, more often to a strategic buyer than to the next financial sponsor. The repricing is not uniform either: among India's largest IT services firms, HCL grew revenue by 11.2% in its latest year while TCS shrank by 0.5%, and Teleperformance lost nearly a third of its value in a single session in early 2024 before partly recovering. Most importantly, no African measurement of the effect was identified. The African venture shutdowns reported in 2026 cite funding drought, compliance costs and thin capitalisation, not AI. The claim is a proposition about exit value over the life of a fund, not an observed wave of African failures.

The register's cases show AI reaching Africa first as infrastructure plans and small funds. Table F8B.7 sets them out.[135]

134 PitchBook with Forvis Mazars, H1 2026 State of SaaS Report, 28 September 2026. The Register, 28 April 2026. The Next Web, 30 June 2026. Launch Base Africa, Africa's venture-backed shutdowns converge on two hotspots in 2026, 14 July 2026.
135 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table F8B.7 CASES FROM THE RECORD FOR SUB-FORCE 08B, BY SCENE

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
2	**Limits:** AI arrives as data centre plans	Sept 2026	Cybastion plans a US$75m AI data centre and power plant in Cameroon. AMACO, a Greek firm, is seeking approval for a US$1.5bn AI data centre at Mombasa with its own power system.	Both are plans. The theme reaches Africa first as infrastructure, which supports the gap between label and substance.	Further Africa and Impact AI News, via LinkedIn; trade press.
2	**At work:** The first dedicated African AI fund	2026	Enza Capital's AI Africa Fund reached a US$21m first close against US$60m.	A fund layer for AI is forming, and small.	OFP LinkedIn Intelligence Register.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

08B is a proposition about the life of a fund, not an observed wave of African failures. The entry figure rests on reported analysis rather than a released dataset, and most of the exit evidence is global. It is stated because the exit market an African software asset is eventually sold into is that global market, and it is already repricing.

A fund's portfolio is finally valued once, at exit, years after the cheque was written. A force that changes what an asset will be worth at that point, without changing how it looks today, is invisible in interim reports and decisive in the final one.

5 Sliding the dial: who survives Sub-force 08B, and who does not

How much damage 08B does depends on how far AI has reduced the scarcity of code and the credibility of labels. In the paddock a label passes and code is a moat. In the middle ground investors check labels and buyers start to reprice software. On the open savannah only substance and advantages a model cannot produce hold their value. Figure F8B.5 and Table F8B.8 set out who survives at each position.

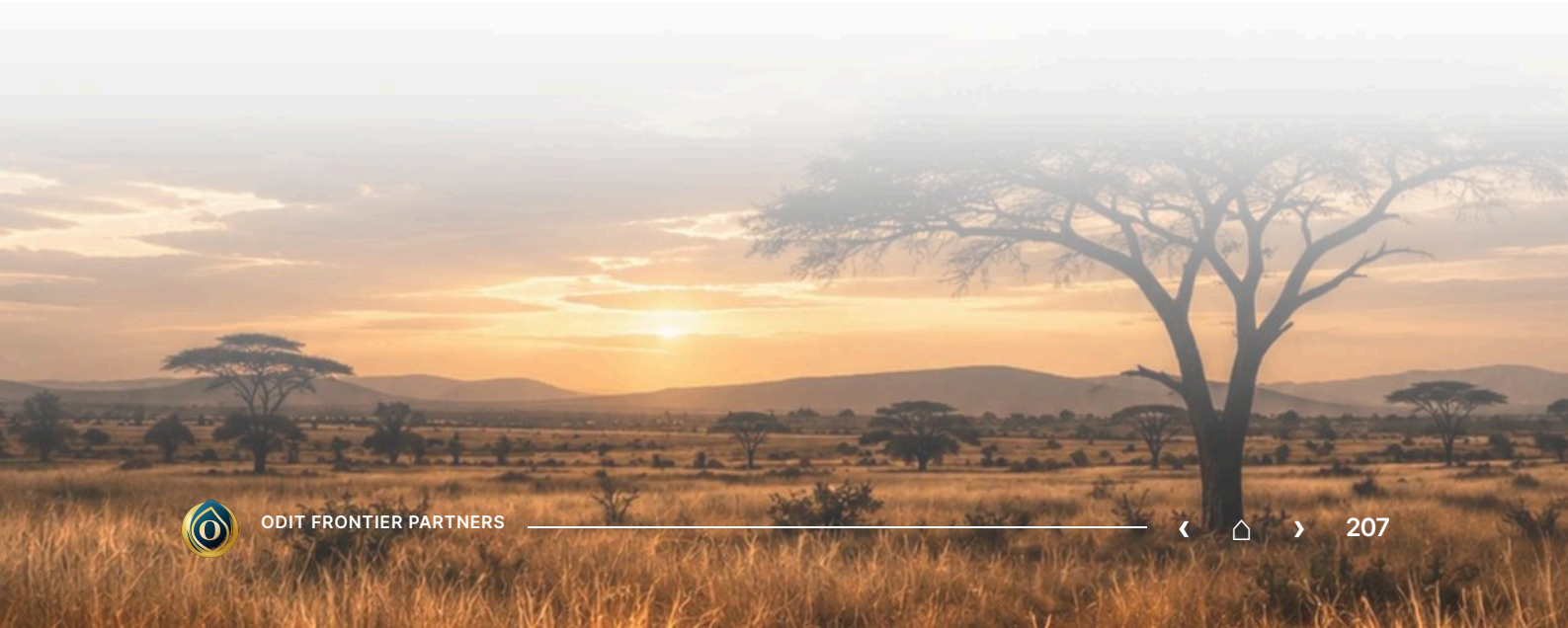
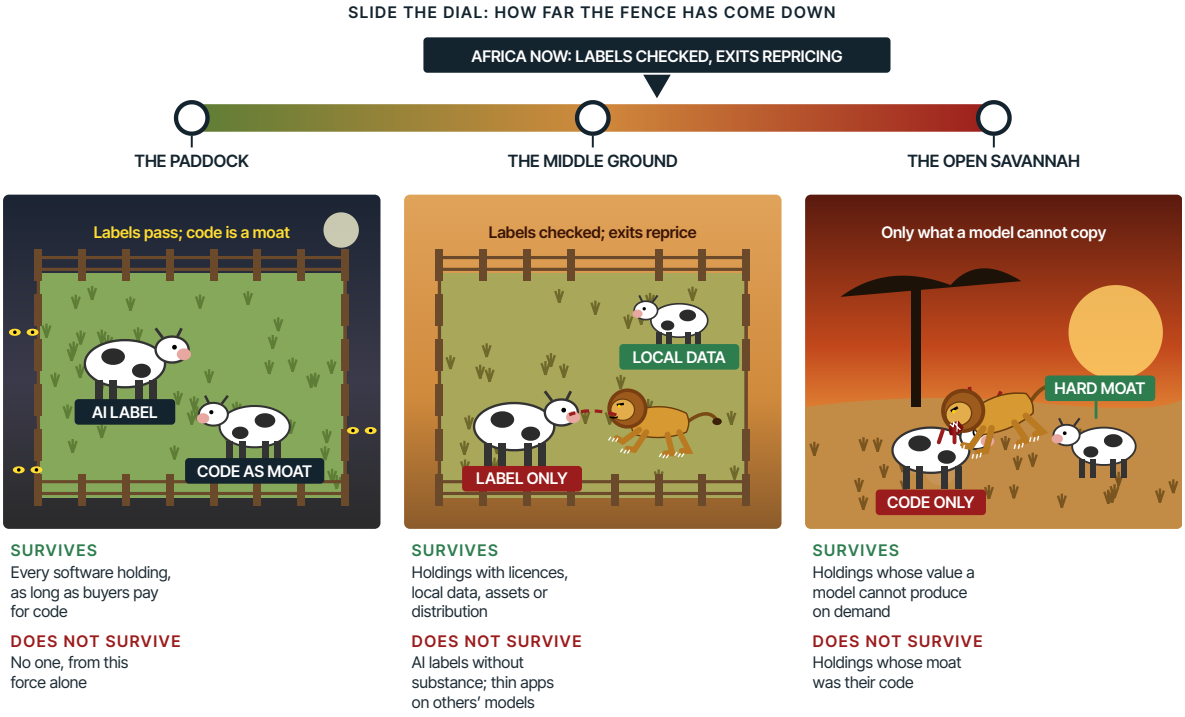


Figure F8B.5 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 08B AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this sub-force.

Table F8B.8 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE UNIVERSE AND THE EXIT, WHO SURVIVES SUB-FORCE 08B AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind the figure above. All three right-hand columns are this note's proposition.

Position	What happens to the universe and the exit	Survives	Does not survive
The paddock Fence holds	A label is enough to raise, and code is a barrier to entry.	Every software holding, while buyers still pay for code.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	Investors check AI labels, and buyers begin to reprice software whose moat is code.	Holdings with licences, local data, physical assets, distribution or contracted cash flows.	AI labels without substance, and thin applications built on other firms' models.
The open savannah No fence	Code is not scarce; only advantages a model cannot produce hold their value at exit.	Holdings whose value rests on something a model cannot produce on demand.	Holdings whose moat was their code.

SOURCE Odit Frontier Partners.

6 What Sub-force 08B leaves the African private equity fund

The fitness question is therefore direct. For each holding, which part of its value could a machine-built competitor not copy by the time the fund needs to sell, and is that the part the fund paid for?

What would move Scene 4 from proposition to finding is African exit evidence. It would take the sale prices of African software companies set against what funds paid, and the buyers they went to, over the next few years. The register is the place this note will look for each.

In short, AI narrows the fund's universe at both ends of its life. At entry there are few real AI businesses behind many AI labels. By exit, code that was scarce when the fund bought it may not be scarce when it sells. What holds value is what a model cannot produce on demand.





SUB-FORCE 08C

OF FORCE 08 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the loins of the formation, Figure 1.8

Critical Minerals Route Compression

Capital reaching critical minerals directly, by routes and at ticket sizes a pooled fund cannot follow

> **Attacks the Fund's Reach**: whether the fund has a route into a sector capital reaches directly

WHAT THIS COVERS

A route to mining and minerals companies through a pooled fund; ticket sizes able to match financings of hundreds of millions of dollars; and a mandate written for what minerals are now understood to be for.

1 What Sub-force 08C is: a permitted sector reached by another route

Sub-force 08C, Critical Minerals Route Compression, is capital reaching critical minerals directly, from states and development lenders, at ticket sizes and by routes a pooled fund cannot follow. Critical minerals look at first like a sector African funds are barred from. They are not: the sector is permitted, and capital is arriving. The fund is kept out by the route the capital takes. Table F8C.1 sets the sub-force out in one line.

Table F8C.1 SUB-FORCE 08C IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 08C, Critical Minerals Route Compression
Who or what attacks	States, development finance institutions and development banks financing minerals directly
What it takes over	Nothing is absorbed: the route runs around the fund
Where in the fund	The other routes beside the portfolio: direct, sovereign and strategic finance
What the fund loses	Reach into a sector its mandate permits
Kind of force	Compression: permitted, by another route

SOURCE Odit Frontier Partners.

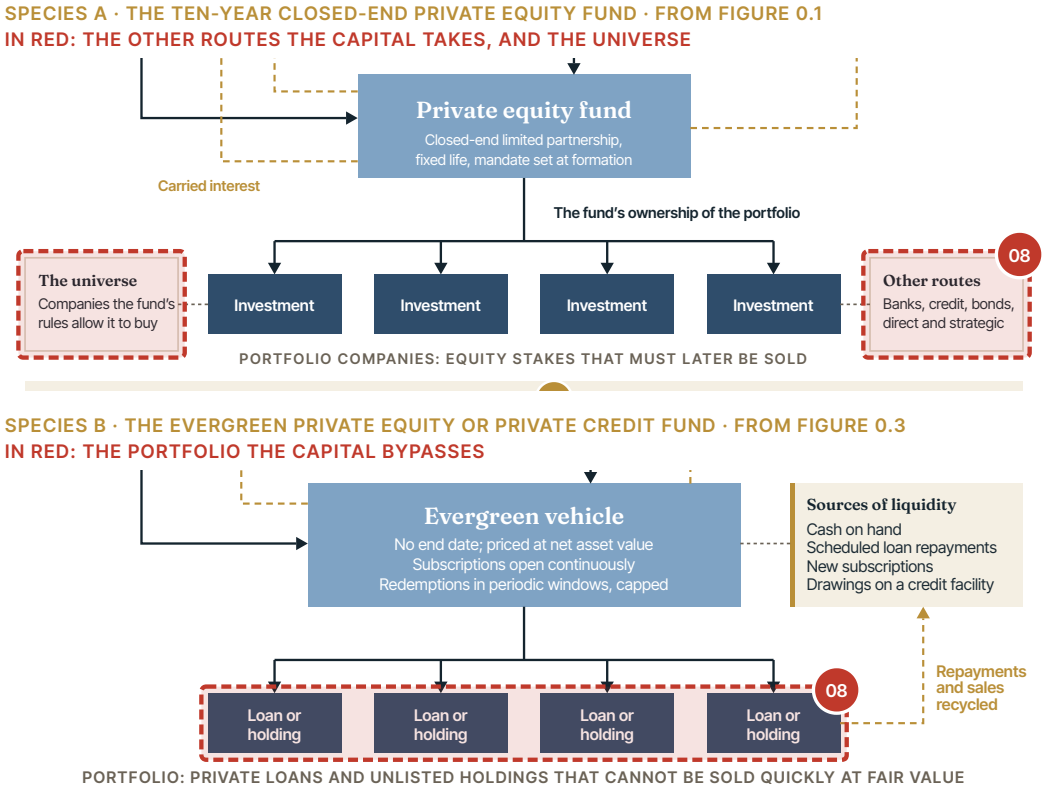
2 What 08C attacks, and where that sits in the two species

08C attacks the fund's reach: whether it can get into a sector its mandate allows. Reach has three parts: route, whether capital comes through a fund or directly; ticket size, whether the fund can write the cheque; and mandate wording, whether the fund's stated universe names the sector for what it is now understood to be for. In Species A the capital flows through the other routes drawn beside the portfolio. Figure F8C.1 marks where, and Table F8C.2 defines each part.



Figure F8C.1 WHERE SUB-FORCE 08C ATTACKS: THE OTHER ROUTES BESIDE THE PORTFOLIO, IN SPECIES A AND SPECIES B

NOTE Cropped to the fund and its portfolio, as drawn in Figures 0.1 and 0.3.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F8C.2 WHAT SUB-FORCE 08C ATTACKS: EACH PART OF REACH, WHAT IT IS, AND WHERE IT SITS IN SPECIES A AND SPECIES B

NOTE Read with Figure F8C.1.

Part	What it is	In Species A	In Species B
Route	Whether capital reaches the sector through a fund or directly	Through the fund, or around it by the other routes	Through the vehicle, or around it
Ticket size	Whether the fund can write a cheque the size the sector needs	Set by fund size, typically tens of millions of dollars	Set by vehicle size
Mandate wording	Whether the fund's stated universe names the sector	Written at formation, often against what the sector was called	Written at launch

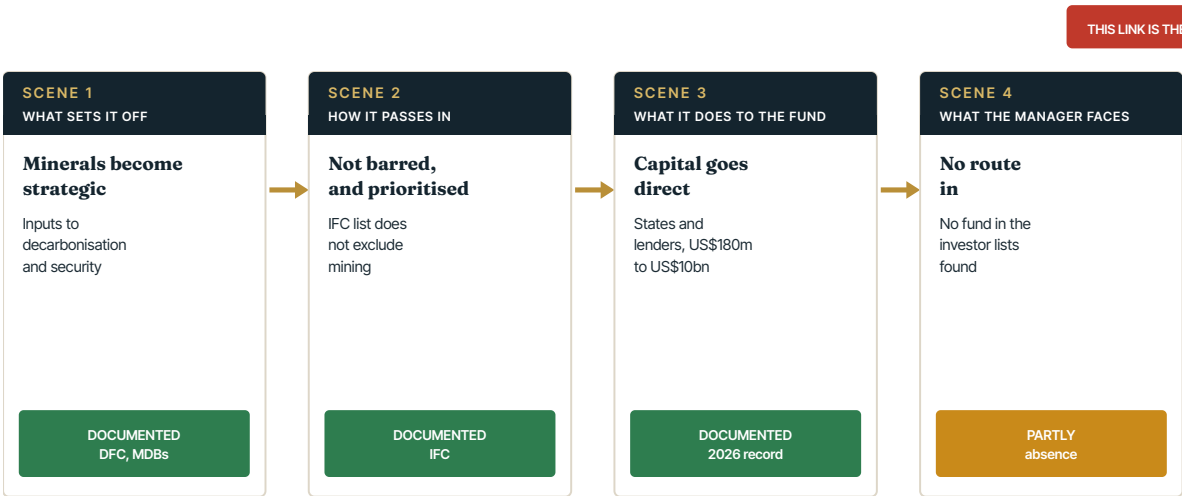
SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

08C reaches the fund in four scenes, of which three are documented and the fourth partly. Figure F8C.2 shows the chain. Each scene is explained below the figure, with its sign.

Figure F8C.2 HOW SUB-FORCE 08C REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: documented as an absence in the register. The evidence for each scene is set out in Part 4, Table F8C.3.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: MINERALS BECOME STRATEGIC

Critical minerals are the cleaner case of the second kind of change. The activity was not formally prohibited, and what has altered is the narrative function of its output. Copper, lithium, cobalt, nickel, graphite and rare earths can now be described not as mining but as inputs to decarbonisation, electrification, digital infrastructure and supply-chain resilience. The underlying activity still carries extraction, environmental risk, water intensity, displacement and difficult governance questions, none of which a relabelling resolves. What has changed is what the output is understood to be for.

SCENE 2 · HOW IT PASSES IN: NOT BARRED, AND PRIORITISED

Critical minerals look at first like a case of a theme African intermediaries are barred from, on the reasoning that impact and development capital placed extractives outside their mandates and cannot now reverse that quickly. That reasoning was tested and does not hold. The IFC Exclusion List, which anchors much of the market's practice, does not exclude mining, extractives or critical minerals as a category at all.[136] Brookings, examining African critical-minerals financing in July 2026, attributes Western private hesitancy to political risk rather than sector aversion.[137] And development finance is not merely permitted in the sector; parts of it are prioritising it openly.

SCENE 3 · WHAT IT DOES TO THE FUND: CAPITAL GOES DIRECT

The capital arrives through states, development finance institutions and lender syndicates, at tickets of hundreds of millions of dollars and more. The sign of this scene is large minerals financings with no fund among the investors, which Table F8C.4 sets out.

136 IFC Exclusion List.
137 Brookings, Toward a United States and Africa critical minerals investment strategy, July 2026.

SCENE 4 · WHAT THE FUND MANAGER FACES: NO ROUTE IN

A fund whose mandate permits minerals can still find no way into the sector at a size it can write. The sign would be minerals financings with a pooled fund among the investors; the register found none in 2026. A further implication follows: mandate language written against what a sector was called can lag a market that now values it for what it is for.

4 The evidence, scene by scene

The evidence for 08C is strong on the capital and the route, and an absence at the fund. Table F8C.3 sets out each scene; Table F8C.4 the financings by route.

Table F8C.3 THE EVIDENCE FOR SUB-FORCE 08C, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; partly means documented as an absence in this note's register.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Minerals become strategic	Minerals are financed as inputs to decarbonisation and security	DFC lists critical minerals among its priorities; six development banks' joint statement of 17 April 2026	Global critical mineral investment fell 9% in 2025	DOCUMENTED
2. Not barred	The sector is permitted to development-backed funds	The IFC Exclusion List does not exclude mining; Brookings attributes Western hesitancy to political risk	Extraction still carries environmental and governance risks	DOCUMENTED
3. Capital goes direct	Financing arrives through states and lenders at large tickets	China US$8bn to US$10bn against US$300m for the US (2023); Balama equity; Lobito US$753m; Polynickel US$180m syndicate		DOCUMENTED
4. No route in	No pooled fund among the investors	None found in the 2026 register	An absence in this note's register, not a full census	PARTLY absence

SOURCE As cited in this part.

The United States International Development Finance Corporation lists critical minerals among its sector priorities and has acted on it in Africa repeatedly. On 25 March 2026 it opened a pathway to a strategic equity interest in the owner of the Balama graphite mine in Mozambique, converting part of an existing loan to common equity alongside a convertible note, new money and warrants, and stating that a diverse supply chain of critical minerals is essential to industries that will secure future growth and national security.[138] Trade coverage in September 2026 places a US$62.8m rare-earth financing package across four African countries alongside it, including an ionic clay project in Madagascar, and reports Africa at roughly a fifth to a quarter of that institution's global portfolio following an expansion of its investment cap to US$205bn.[139]

Multilateral institutions have moved in the same direction collectively. On 17 April 2026 the African Development Bank, Asian Development Bank, EBRD, European Investment Bank, Inter-American Development Bank and World Bank Group issued a joint statement committing to coordinated support for

138 United States International Development Finance Corporation, Balama graphite strategic equity release, 25 March 2026, and sector priorities.
139 Energy Capital and Power press release on African rare-earth financing, 2 September 2026.

critical minerals to manufacturing value chains, and to moving beyond extraction into processing, manufacturing and circular value chains that deepen domestic value addition.[140]

So the minerals problem for the conventional fund is not eligibility. Capital is real, permitted and arriving. The problem is the route. Brookings puts Chinese spending on African critical minerals at an estimated US$8bn to US$10bn in 2023 against US$300m for the United States, and records Chinese control of processing at 71% for lithium, 80% for cobalt, 92% for rare earths and 96% for graphite.[141] Between state capital at that scale and development finance investing directly, the conventional Africa-focused fund layer appears in very little of it.

The distinction this note draws, and it is the more interesting one, is between a formal classification changing and a market label changing. The two are different events and they are routinely conflated. The clearer case of a formal boundary moving is nuclear power: on 26 June 2025 the World Bank Group formalised a partnership with the International Atomic Energy Agency, described in its own release as the institution's first concrete step to re-engage with nuclear power in decades.[142] Even there the wording repays attention, since the release speaks of re-engagement rather than of lifting a prohibition, and much of the coverage did not preserve that distinction.

The formal boundary moved further in 2025, and AI is adding to the demand that pulls capital into the sector. In June 2025 the World Bank lifted its ban on financing nuclear power, an early sign that formal boundaries around once-excluded sectors can move.[143] Demand for the minerals themselves is now pulled by AI as well as by the energy transition: BloombergNEF estimates that AI data centres could add about 400,000 tonnes a year to copper demand and forecasts copper at US$13,500 a tonne by 2028,[144] and S&P Global projects data-centre capacity at more than five times its 2022 level by 2040, with copper supply peaking around 2030 and falling 10 million tonnes short of demand by 2040.[145] The same technology curve that is eroding software values in Sub-force 08B is raising the strategic value of the minerals in this one.

Read by route, the minerals financings of 2026 have one thing in common: none passed through a pooled fund. Table F8C.4 sets them out.[146]

Table F8C.4 CRITICAL MINERALS FINANCINGS IN 2026, BY ROUTE: WHO FINANCED THEM, AND WHETHER A FUND COULD FOLLOW

NOTE A selection from the register and from Force 02's table of direct operator financings; not a comprehensive list.

Financing	Size	Who financed it	Route
AngloGold Ashanti, Geita	US$500m facility	Banks	Direct lending
Lobito Corridor Railway	US$753m; DFC up to US$553m for the rail and port corridor	DFC and lenders	Strategic infrastructure
Polynickel West Africa	US$180m syndicated facility	EBRD, RMB, Absa, Abu Dhabi Commercial Bank	The EBRD's first mining investment in sub-Saharan Africa
Balama graphite, Mozambique	Loan converted toward a strategic equity stake	DFC	Equity, direct

140 Joint MDB statement on critical minerals to manufacturing value chains, 17 April 2026.
141 As note 137.
142 World Bank Group and IAEA partnership release, 26 June 2025.
143 Bloomberg, World Bank lifts ban on nuclear power, considers upstream gas, 11 June 2025.
144 Mining.com, AI boom pushes copper toward a supply crunch, BloombergNEF warns, 25 August 2025.
145 S&P Global Energy and S&P Global Market Intelligence, Copper in the Age of AI: The Challenges of Electrification, 8 January 2026.
146 OFP LinkedIn Intelligence Register, read as at 14 November 2026, with the sources for the Force 02 table. United States International Development Finance Corporation, Balama graphite release, 25 March 2026.

Financing	Size	Who financed it	Route
DRC railway for critical minerals	Up to US$1bn planned, 30-year concession	United States	Strategic infrastructure, direct

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026; DFC release, 25 March 2026; as cited in Force 02.

The register's cases show development and strategic capital entering minerals through lenders and infrastructure, not funds. Table F8C.5 sets them out.[147]

Table F8C.5 CASES FROM THE RECORD FOR SUB-FORCE 08C, BY SCENE

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Scene	Case	Date	What the record shows	What it shows here	Source
3	**At work:** The EBRD's first mining investment in sub-Saharan Africa	Jul 2026	A loan to Ivorian nickel producer Polynickel West Africa within a US$180m syndicated facility, with RMB, Absa and Abu Dhabi Commercial Bank.	Development finance entering critical minerals through a lender syndicate, not through a fund.	Africa Capital Digest, via LinkedIn.
3	**At work:** United States support for a DRC railway to secure critical minerals	Sept 2026	The United States plans up to US$1bn to support rehabilitation and operation of a DRC railway under a 30-year concession, to secure critical minerals access.	Strategic capital going to the infrastructure of a sector directly.	Impact AI News, via LinkedIn.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

08C is not a claim that African funds are barred from minerals; the evidence shows they are not. It is that the capital takes a route, and arrives at a size, that the pooled fund layer appears in very little of. The absence of funds is an absence in this note's register, not a census.

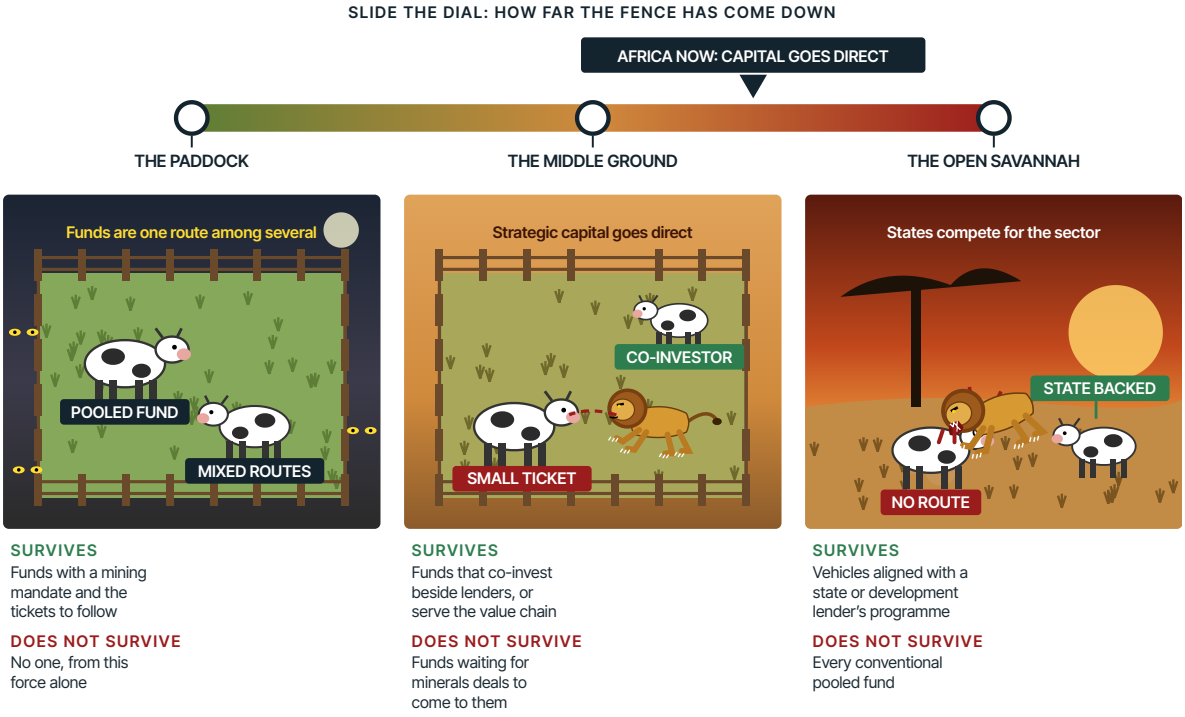
5 Sliding the dial: who survives Sub-force 08C, and who does not

How much damage 08C does depends on how much of the sector's capital goes direct. In the paddock minerals are financed through a mix of routes, funds among them. In the middle ground strategic and development capital goes direct at large tickets. On the open savannah states compete for the sector and the fund has no route at all. Figure F8C.3 and Table F8C.6 set out who survives at each position.

147 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Figure F8C.3 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 08C AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Funds with a mining mandate and the tickets to follow

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Funds that co-invest beside lenders, or serve the value chain

DOES NOT SURVIVE
Funds waiting for minerals deals to come to them

SURVIVES
Vehicles aligned with a state or development lender's programme

DOES NOT SURVIVE
Every conventional pooled fund

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this sub-force.

Table F8C.6 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO REACH, WHO SURVIVES SUB-FORCE 08C AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind the figure above. All three right-hand columns are this note's proposition.

Position	What happens to reach	Survives	Does not survive
The paddock Fence holds	Minerals are financed through a mix of routes, pooled funds among them.	Funds with a mining mandate and the ticket size to follow.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	Strategic and development capital goes direct, at tickets of hundreds of millions of dollars.	Funds that co-invest beside lenders, or that serve the smaller companies along the value chain, such as logistics and processing services.	Funds waiting for minerals deals to come to them.
The open savannah No fence	States compete for the sector, and capital reaches it only through state and development programmes.	Vehicles aligned with a state or development lender's programme.	Every conventional pooled fund.

SOURCE Odit Frontier Partners.

6 What Sub-force 08C leaves the African private equity fund

The fitness question 08C leaves is about reach. In a sector the fund is allowed into and capital is arriving in, does it have a route in, at a size it can write?

What would move Scene 4 from absence to finding is a census of who finances African minerals. It would take the investor lists of African minerals financings over several years, showing whether any pooled fund appears, and at what size. The register is the place this note will look.

In short, critical minerals are open to the fund and closed to it at the same time. The sector is permitted and prioritised, and capital is arriving at scale, but it arrives directly, from states and development lenders, at tickets few African funds can write.





SUB-FORCE 08D

OF FORCE 08 · HUNTING THE AFRICAN PRIVATE EQUITY FUND

OPEN SAVANNAH SEASON

In the loins of the formation, Figure 1.8

Hydrocarbon Mandate Exclusion

Strategic capital going to oil and gas, a sector the fund's own development investors exclude

> **Attacks the Fund's Mandate**: whether the fund's own investors allow it into the sector

WHAT THIS COVERS

A mandate that admits oil, gas and their value chain; investors whose exclusion lists allow it, directly and through funds; and ticket sizes able to follow financings of billions of dollars.

1 What Sub-force 08D is: a sector the fund's own investors close

Sub-force 08D, Hydrocarbon Mandate Exclusion, is strategic capital going to oil, gas and their value chain, a sector the development investors behind many African funds exclude. It is the closed end of Force 08's spectrum. The fund is not outcompeted for these deals; it was never entered, because the exclusion is written into its own investor base. Table F8D.1 sets the sub-force out in one line.

Table F8D.1 SUB-FORCE 08D IN ONE LINE: WHO ATTACKS, WHAT IT TAKES, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this sub-force. Each row is explained in the parts that follow.

Element	Sub-force 08D, Hydrocarbon Mandate Exclusion
Who or what attacks	The fund's own development investors, through their fossil-fuel exclusions, while banks, Afreximbank, AFC and the DFC finance the sector
What it takes over	Nothing is absorbed: the fund's mandate excludes the sector
Where in the fund	The fund's mandate, set at formation
What the fund loses	Access to the sector drawing the largest strategic cheques of 2026
Kind of force	Compression: closed by mandate

SOURCE Odit Frontier Partners.

What follows is this note's proposition rather than a reported finding. It is the other edge of Force 08's screen.[148] In hydrocarbons, the exclusion is written into the fund's own investor base: European development finance institutions, which anchor many African funds, committed in November 2020 to stop financing new coal and fuel-oil projects immediately and to exclude other fossil fuels by 2030, and the commitment covers indirect investment through funds as well as direct lending. A fund backed by those investors inherits the exclusion whatever its own view of the sector.

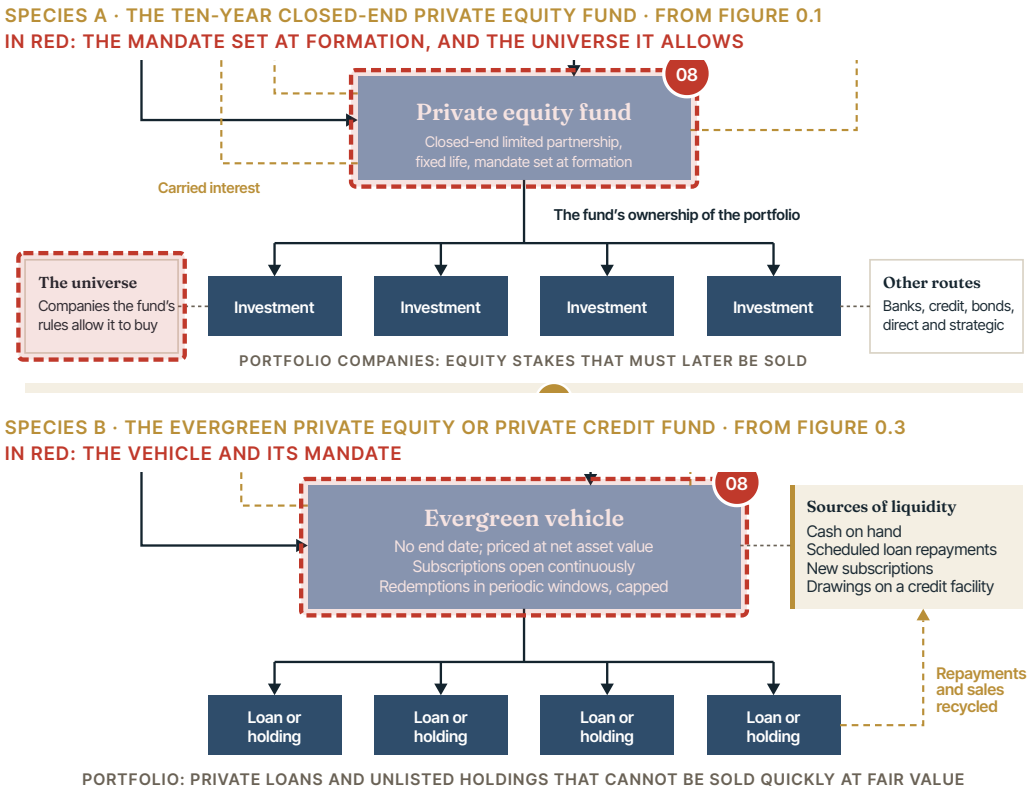
2 What 08D attacks, and where that sits in the two species

08D attacks the fund's mandate: what its investors allow it to buy. The mandate has three parts here: the exclusion lists of its investors, which follow the fund into its deals; the sectors its own documents name; and the ticket size it can write. In Species A the mandate is set when the fund is formed. Figure F8D.1 marks where, and Table F8D.2, the collision map, sets the sectors the mandate allows against those where strategic capital went.

148 Reuters, European development finance group to exit fossil fuel investments by 2030, 5 November 2020. IFC Exclusion List.

Figure F8D.1 WHERE SUB-FORCE 08D ATTACKS: THE FUND'S MANDATE, IN SPECIES A AND SPECIES B

NOTE Cropped to the fund and its portfolio, as drawn in Figures 0.1 and 0.3.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F8D.2 COLLISION MAP: WHERE THE FUND MAY GO, AGAINST WHERE STRATEGIC CAPITAL IS GOING

NOTE The left column is the fund's mandate; the right is where strategic capital went in 2026.

What the fund's mandate allows	Where strategic capital went in 2026
Sectors acceptable to development finance investors under exclusion lists	Refining, gas, gas-to-power and gas-based fertiliser, financed directly by banks, Afreximbank and Africa Finance Corporation
Ticket sizes set by fund size, typically tens of millions of dollars	Single financings of US$180m to US$4bn in mining, minerals logistics and hydrocarbons
A route through a pooled vehicle	A route through sovereign, export-credit and direct development finance channels

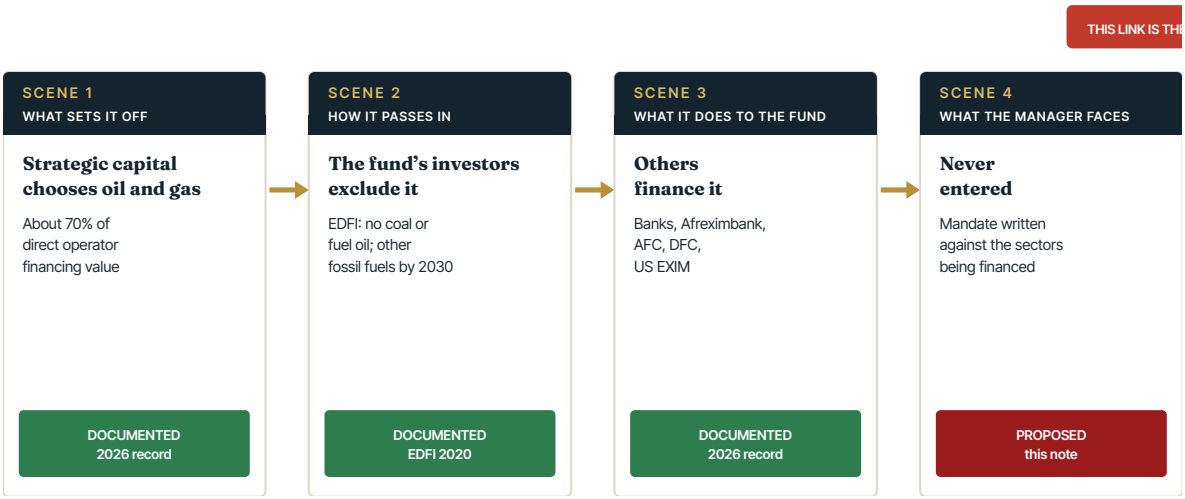
SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

08D reaches the fund in four scenes, of which three are documented and the fourth is this note's proposition. Figure F8D.2 shows the chain. Each scene is explained below the figure, with its sign.

Figure F8D.2 HOW SUB-FORCE 08D REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Red: this note's proposition. The evidence for each scene is set out in Part 4, Table F8D.3.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: STRATEGIC CAPITAL CHOOSES OIL AND GAS

In 2026 the largest strategic cheques in Africa went to refining, gas and their value chain. The sign is the share of disclosed direct financing going to hydrocarbons, about 70% in this note's record, concentrated in one group.

SCENE 2 · HOW IT PASSES IN: THE FUND'S INVESTORS EXCLUDE IT

European development finance institutions committed in 2020 to stop financing new coal and fuel-oil projects and to exclude other fossil fuels by 2030, including through funds. The sign is the exclusion appearing in fund documents: a fund backed by those investors inherits it whatever its own view.

SCENE 3 · WHAT IT DOES TO THE FUND: OTHERS FINANCE THE SECTOR

Banks, Afreximbank, the Africa Finance Corporation, the DFC and the United States Export-Import Bank finance what the fund cannot. The sign is a financier that has not stepped back, which Table F8D.5 sets beside European development finance.

SCENE 4 · WHAT THE FUND MANAGER FACES: NEVER ENTERED

If the largest strategic cheques go to sectors the fund's investors exclude or it cannot reach, it is not losing a contest for deals; it was never entered. The fitness question is reach: is the mandate written for the sectors being financed?

4 The evidence, scene by scene

The evidence for 08D is strong on where the money went and who excludes it, and concentrated in one group. Table F8D.3 sets out each scene; Table F8D.4 the largest tickets; Table F8D.5 the two postures of development finance.

Table F8D.3 THE EVIDENCE FOR SUB-FORCE 08D, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; proposed means this note's argument.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Strategic capital chooses oil and gas	Hydrocarbons draw the largest strategic cheques	About 70% of disclosed value in 37 direct operator financings; Dangote companies about half	Highly concentrated in one group	DOCUMENTED
2. The fund's investors exclude it	Development investors bar the sector, including through funds	EDFI commitment of November 2020, covering indirect investment through funds	Not every African fund has EDFI investors	DOCUMENTED
3. Others finance it	Non-fund financiers fill the gap	Afreximbank, AFC, banks; DFC lending cap US$205bn; US EXIM US$4.7bn for Mozambique LNG	DFC approvals in Africa largely undisclosed	DOCUMENTED
4. Never entered	The fund is absent because of its mandate	Proposed	Upstream investment flat: about US$41bn in 2026 against US$40bn	PROPOSED

SOURCE As cited in this part.

In the 37 direct operator financings recorded in Force 02, hydrocarbons and their value chain account for about 70% of disclosed value and mining and minerals logistics for a further 9%. The figure is concentrated: Dangote companies alone account for about half of all disclosed value. It shows where the largest tickets went, not a market share. Table F8D.4 sets them out.

Table F8D.4 WHERE THE LARGEST HYDROCARBON TICKETS WENT IN 2026

NOTE The hydrocarbons row of this note's table of the largest strategic tickets; the minerals row is in Sub-force 08C.

Sector	Financings recorded in this note	Who financed them	Can a conventional Africa fund follow?
Hydrocarbons and their value chain	Dangote Petroleum Refinery: US$4.0bn term loan, US$2.5bn private placement and a US$1.6bn-target IPO. Sonangol: US$1.75bn receivables facility. Greenview Fertiliser: US$600m. Genser Energy: US$529m. Bluecore Gas Infraco: US$285m. Aradel Holdings: US$250m	Afreximbank, Africa Finance Corporation, African and international banks	Barred for funds whose development finance investors follow the 2020 European commitment

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026, with the sources for the Force 02 table. United States International Development Finance Corporation, Balama graphite release, 25 March 2026.

Where European development finance has narrowed its fossil-fuel exposure, the DFC has expanded and is explicit about why.[149] Its reauthorisation in December 2025 more than tripled its lending cap, from US$60bn to US$205bn, created a US$5bn revolving fund for equity, and named energy and critical minerals among the sectors exempt from its bar on investing in the richest countries. Its head of

149 Energy for Growth Hub, Five things to know about DFC reauthorization, 17 December 2025. Devex, US Development Finance Corporation pursues dual mandate, 16 February 2026. DFC press release on economic statecraft at the UN General Assembly, 25 September 2026.

investments describes a "dual mandate investment thesis of development investment and strategic investment", aimed at advancing the president's foreign policy objectives while delivering a return for the United States taxpayer. Table F8D.5 sets the two postures side by side.

Table F8D.5 TWO POSTURES TOWARD THE SAME SECTORS: EUROPEAN DEVELOPMENT FINANCE AND THE DFC

NOTE The two postures compared row by row on the same sectors. Policies are as published at the dates of the sources cited.

	European development finance (EDFI members)	United States International Development Finance Corporation
Stated purpose	Development impact within Paris-aligned limits	A dual mandate: development investment and strategic investment tied to foreign policy, with a return to the taxpayer
Fossil fuels	No new coal or fuel oil from 2020; other fossil fuels excluded by 2030, including through funds	Its Africa head cites LNG import terminals and pipelines as a growing focus; earlier approval of up to US$1.5bn of political risk insurance for Rovuma LNG in Mozambique
Critical minerals	Not excluded	Equity route into Balama graphite; up to US$553m for the Lobito rail and port corridor; February 2026 board approvals for energy and critical mineral supply chains, details withheld
Scale	Set by each institution's balance sheet	Lending cap raised to US$205bn; more than US$14bn committed in Africa, as stated by its Africa head in October 2026

SOURCE Reuters, 5 November 2020. Pan African Visions, report of remarks at African Energy Week, 15 October 2026. Africa Sustainability Matters, 4 Au- gust 2025. Devex, DFC board approves new Africa deals, 23 February 2026. Energy for Growth Hub, 17 December 2025.

Western development finance is splitting on these sectors, not moving together, and the split widens the gap for funds backed by European development investors. The World Bank lifted its ban on nuclear power in June 2025,[150] continues to finance gas downstream, including a US$875m package for Côte d'Ivoire's gas sector in July 2026,[151] and in October 2026 its president described its approach as including gas where appropriate, two days after the United States Treasury Secretary urged it to formally retire its prohibition on financing oil and gas exploration and production.[152] European development finance has moved the other way: FMO's transition window for some gas-based power closed on 1 June 2026, and the EDFI exclusion stands.[153] A fund whose investors are European development lenders is therefore falling further behind where strategic capital is going, while funds with United States, World Bank or Gulf investors may find the door opening.

Neither sector is a growth story on capital spending. Upstream oil and gas investment in Africa is forecast at about US$41bn in 2026 against US$40bn in 2025, and global critical mineral investment fell 9% in 2025 even as prices for cobalt and lithium rose sharply.[154] Their pull is strategic: African gas became a near-term priority for European buyers after Qatari supply was disrupted in March 2026. The DFC's African approvals in 2026 are largely undisclosed, its US$14bn figure was given at an industry forum rather than in a published dataset, and the largest single United States hydrocarbon cheque in Africa, US$4.7bn for Mozambique LNG, came from the Export-Import Bank rather than the DFC.

150 Bloomberg, World Bank lifts ban on nuclear power, considers upstream gas, 11 June 2025.
151 World Oil, World Bank supports Côte d'Ivoire gas strategy with US$875 million financing, 9 July 2026.
152 Climate Home News, Under US pressure, World Bank says it will back gas where appropriate, 16 October 2026.
153 E3G, Fossil fuel exclusion policies: FMO, citing FMO's position statement.
154 Moore Global, Africa's US$41 billion upstream oil and gas investment surge in 2026, 15 April 2026. IEA, Global Critical Minerals Outlook 2026. Inside Climate News, 13 February 2026.

IMPORTANT CAVEAT

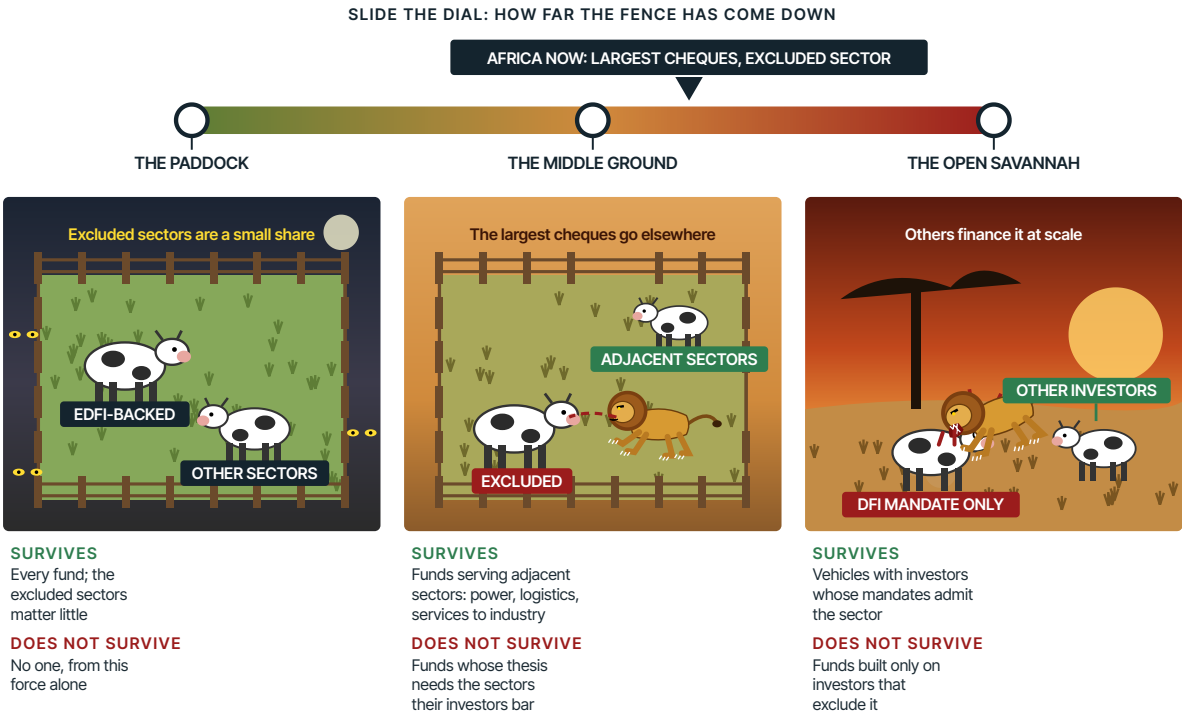
08D is a proposition about reach, not an argument for or against financing hydrocarbons. The exclusion is a policy choice by the fund's investors, made for reasons this note does not assess. The evidence is concentrated in one group of companies, and upstream investment is flat. The point is narrower: where the largest strategic cheques go to a sector the fund's investors exclude, the fund was never in the contest. The exclusion is also a policy that is moving: loosening at the World Bank and in the United States, tightening among European development lenders. It can swing, which is why it cannot be planned on in either direction.

5 Sliding the dial: who survives Sub-force 08D, and who does not

How much damage 08D does depends on how much strategic capital goes to sectors the fund's investors exclude. In the paddock the excluded sectors are a small share of the deals that matter. In the middle ground they draw the largest strategic cheques. On the open savannah investors with different exclusions, or none, finance the sector at scale and win the relationships that go with it. Figure F8D.3 and Table F8D.6 set out who survives at each position.

Figure F8D.3 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES SUB-FORCE 08D AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Every fund; the excluded sectors matter little

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Funds serving adjacent sectors: power, logistics, services to industry

DOES NOT SURVIVE
Funds whose thesis needs the sectors their investors bar

SURVIVES
Vehicles with investors whose mandates admit the sector

DOES NOT SURVIVE
Funds built only on investors that exclude it

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this sub-force.

Table F8D.6 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE MANDATE, WHO SURVIVES SUB-FORCE 08D AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind the figure above. All three right-hand columns are this note's proposition.

Position	What happens to the mandate	Survives	Does not survive
The paddock Fence holds	Excluded sectors are a small share of the deals that matter.	Every fund; the exclusion costs little.	No one is forced out by this sub-force alone.
The middle ground Fence has gaps	The largest strategic cheques go to sectors the fund's investors exclude.	Funds serving adjacent sectors the mandate allows, such as power, logistics and services to industry.	Funds whose thesis needs the sectors their investors bar.
The open savannah No fence	Investors with different exclusions, or none, finance the sector at scale and win the relationships that go with it.	Vehicles whose investors' mandates admit the sector.	Funds built only on investors that exclude it.

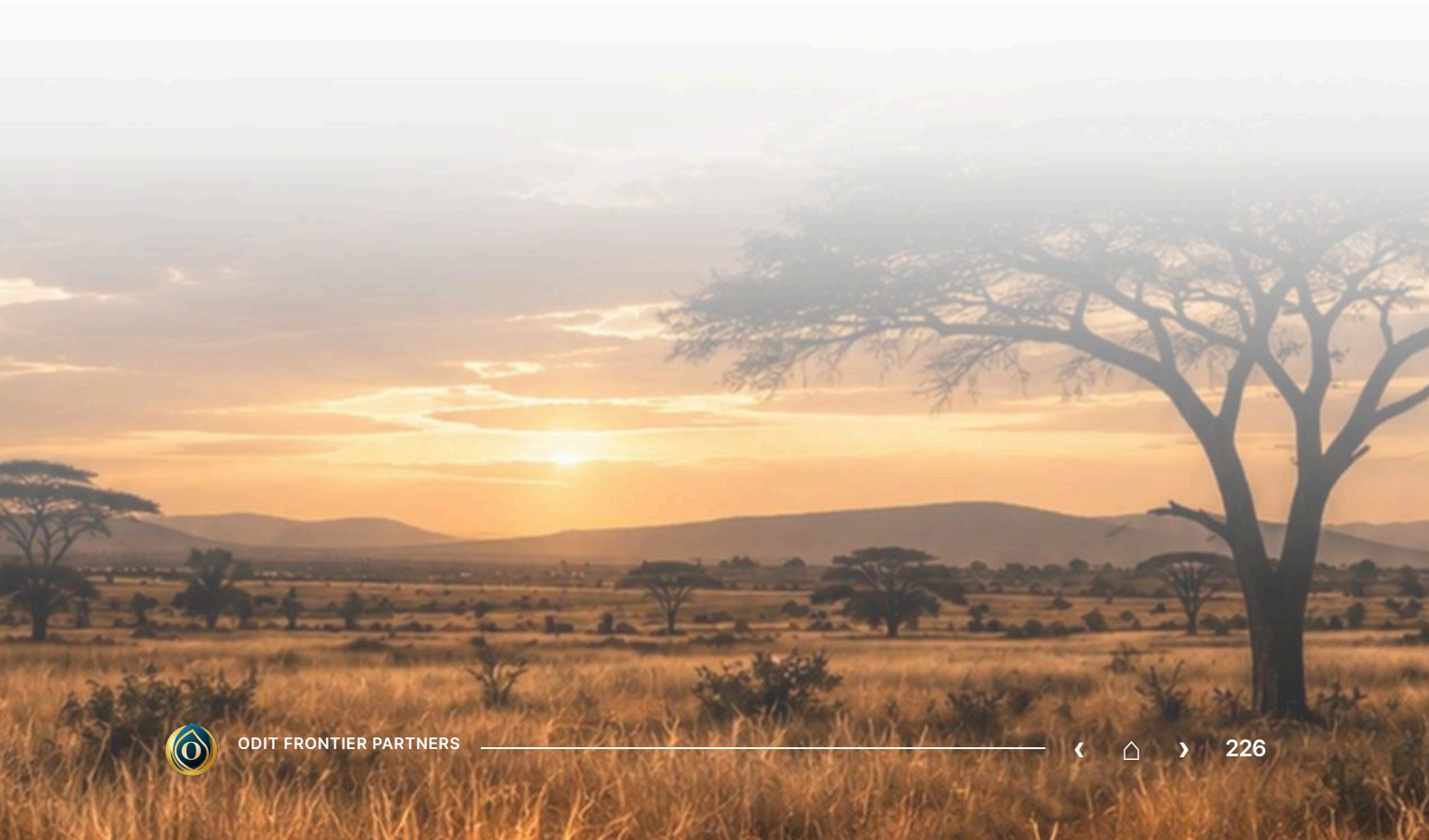
SOURCE Odit Frontier Partners.

6 What Sub-force 08D leaves the African private equity fund

The fitness question 08D leaves is about the mandate. Is this fund's mandate written for the sectors being financed, and if not, are its investors the reason?

What would move Scene 4 from proposition to finding is evidence from fund documents. It would take the exclusion clauses of African funds set against the sectors of the largest strategic financings, over several years. The register is the place this note will look.

In short, the largest strategic cheques of 2026 went to a sector many African funds may not enter. The exclusion is written into the fund's own investor base, while other financiers expand into the sector. The fund is not losing these deals; it was never in the contest.





In the right horn of the formation, Figure 1.8

Financing-Stack Subsumption

Credit reaching African companies faster, in local currency and without dilution, so that equity is no longer the default way to finance growth

Attacks Financing Uniqueness: whether a company needs equity when a loan meets the same need

WHAT THIS COVERS

The costs equity asks of a company, set against a loan for the same need: months of diligence, permanent dilution of the existing owners, board seats and governance rights, an exit the company must eventually serve, and a valuation agreed at a moment it may not have chosen.

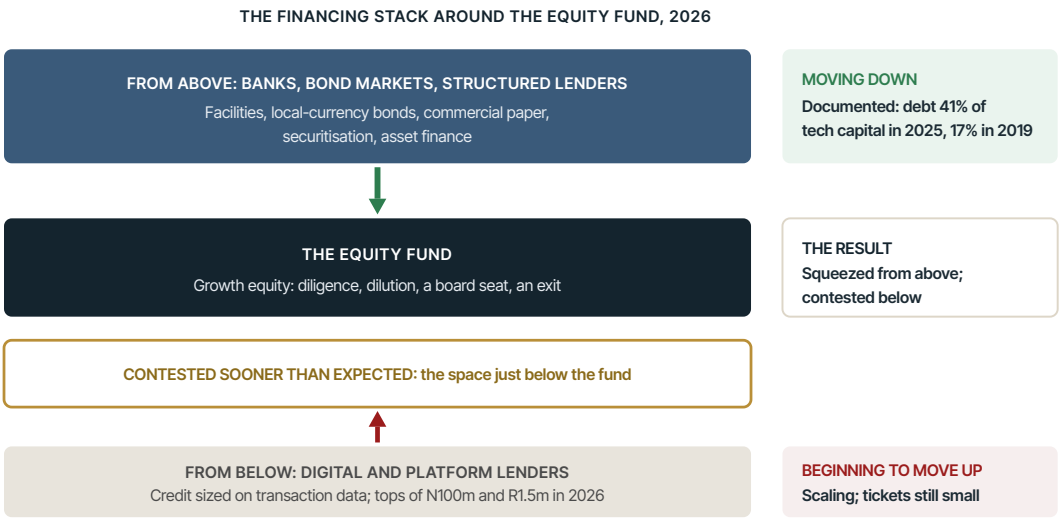
> Before a company asks who should arrange its capital, it asks what kind of capital it wants. The stack around the fund is densifying from above, and the answer is increasingly not equity.

1 What Force 09 is: the company asking why it should take equity at all

Force 09, Financing-Stack Subsumption, is credit reaching African companies faster, in more forms and in local currency, so that equity from a fund is no longer the default answer to how a growing company is financed. The financing stack around the fund is densifying from above: banks, bond markets and structured lenders now reach companies the fund once had to itself. From below, digital and platform lenders are beginning to move up, lending larger amounts on the strength of businesses' own transaction data, though still well below the size of a fund's cheque. Figure F9.1 draws the stack, and Table F9.1 sets the force out in one line.

Figure F9.1 THE FINANCING STACK AROUND THE EQUITY FUND IN 2026: SQUEEZED FROM ABOVE, BEGINNING TO BE CONTESTED BELOW

NOTE Moving down is documented in Part 4. Moving up is beginning: digital and platform lenders are scaling, with tickets still well below a fund's. Both are set out in Part 4, which links the space below the fund to Force 03.



SOURCE Odit Frontier Partners. Evidence as cited in Part 4.

Table F9.1 FORCE 09 IN ONE LINE: WHO ATTACKS, WHAT IT TAKES OVER, WHERE, AND WHAT THE FUND LOSES

NOTE A summary of this part. Each row is explained in the parts that follow.

Element	Force 09, Financing-Stack Subsumption
Who or what attacks	Banks, bond markets and structured lenders offering credit to companies the fund once financed with equity
What it takes over	The financing mandate: equity's place as the default route for a growing company
Where in the fund	The portfolio: the companies the fund invests in, and the other routes beside it
What the fund loses	Being chosen by default; it now competes for the mandate
Kind of force	Subsumption: credit absorbs part of the financing role equity performed

SOURCE Odit Frontier Partners.

This force should be read against Force 02, and the two are separable in a way worth stating at the outset. Force 02 concerns who arranges the capital, and asks whether an intermediary is necessary at all. This one concerns which instrument wins, and asks why a company would choose equity from anybody. A company can bypass the fund and still raise equity, as the 2026 record shows. It can equally keep every relationship it has and simply decline to sell shares.

What has changed is the range and speed of the alternative. Banks and non-bank lenders now offer revolving facilities, receivables finance, asset-backed lending, structured and mezzanine debt, sustainability-linked loans, local-currency instruments, securitisation, commercial paper and hybrid structures, at decision speeds equity cannot match. And the comparison a company actually makes is not

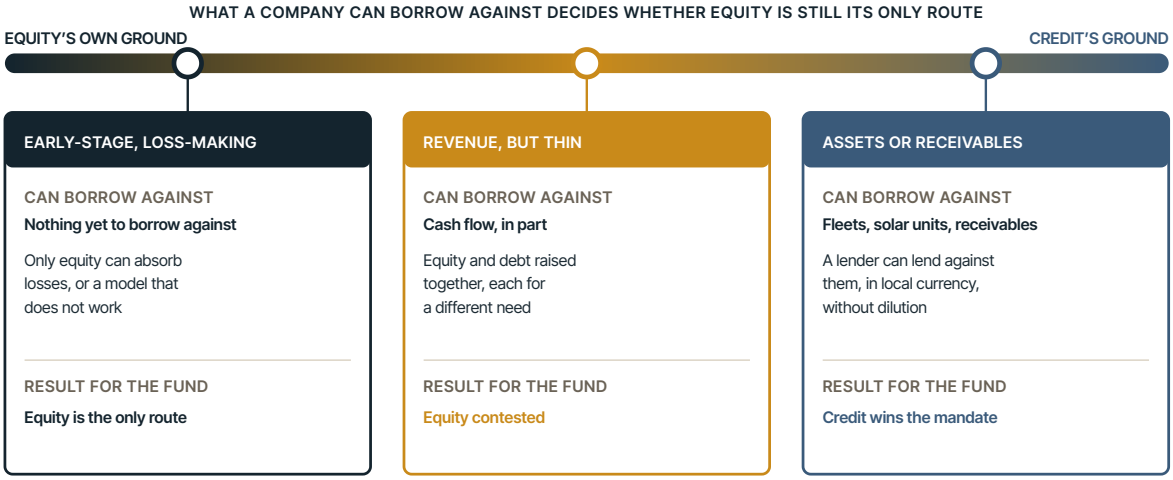
a cost-ofcapital calculation. It is a comparison of what each route demands: months of diligence, a board seat, governance rights, reporting obligations and permanent dilution against a facility that can be drawn without any of them.

2 What Force 09 attacks, and where that sits in the two species

Force 09 attacks financing uniqueness: whether a company needs equity when a loan meets the same need. Uniqueness is decided by the company, not the fund, and it depends on what the company can borrow against. Figure F9.2 sets out the spectrum, from companies with nothing to borrow against, where equity is the only route, to companies with assets or receivables, where credit wins the mandate. Table F9.2 explains each position and its signs.

Figure F9.2 THE COMPANY SPECTRUM: WHAT A COMPANY CAN BORROW AGAINST DECIDES WHETHER EQUITY IS STILL ITS ONLY ROUTE

NOTE The three positions are this note's classification. The companies at each position in 2026 are listed in Table F9.2.



SOURCE Odit Frontier Partners.

Table F9.2 THE THREE POSITIONS ON THE COMPANY SPECTRUM: WHAT THE COMPANY CAN BORROW AGAINST, WHAT FOLLOWS, AND THE 2026 SIGNS

NOTE Read with Figure F9.2. Companies are placed by this note from the instruments listed in Table F9.6.

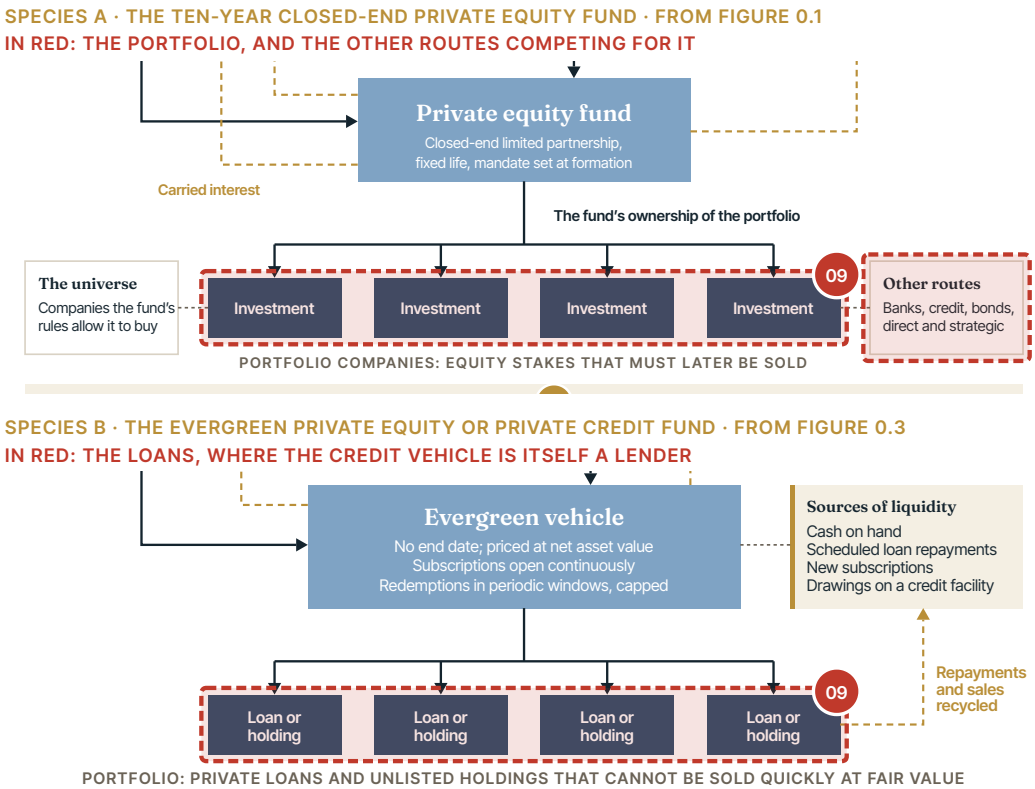
Position	What the company can borrow against	What follows for the financing	Signs in the 2026 record
Equity's own ground Early-stage, loss-making	Nothing yet: no revenue to service a loan, no assets to secure one	Only equity can fund a loss-making growth phase, absorb a failure or carry the risk that a model does not work	Equity rounds with no debt alongside
Contested Revenue, but thin	Cash flow, in part	Equity and credit raised together, each for a different need	ARC Ride: US$23m equity with US$10m debt. ThriveAgric commercial paper; Eat & Go naira bond; Nomba and Traxtion facilities
Credit's ground Assets or receivables	Fleets, solar units, towers, receivables, project assets	A lender can lend against them, often in local currency, without dilution	d.light receivables bond; SunCulture securitisation; M-KOPA, Spiro, GoCab and Watu asset finance; Okra Solar equipment; Helios Towers facility

SOURCE Odit Frontier Partners, from the OFP LinkedIn Intelligence Register, read as at 14 November 2026.

In both species the force reaches the portfolio, but it works in opposite directions for each. For Species A, the closed-end equity fund, credit is a rival for the companies it wants to buy. For Species B, the evergreen private credit fund, credit is the product: the evergreen credit vehicle is itself one of the lenders moving down the stack. Figure F9.3 marks where, and Table F9.3 sets the two species side by side.

Figure F9.3 WHERE FORCE 09 ATTACKS: THE PORTFOLIO AND THE ROUTES BESIDE IT, IN SPECIES A AND SPECIES B

NOTE Cropped to the fund and its portfolio, as drawn in Figures 0.1 and 0.3.



SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3.

Table F9.3 FORCE 09 THROUGH THE TWO SPECIES: A THREAT TO THE EQUITY FUND, AN OPENING FOR THE CREDIT VEHICLE

NOTE This note's comparison. In Africa, the credit vehicles in Force 09's record are mostly closed-ended or permanent rather than evergreen (Table F5.7).

	Species A: closed-end equity fund	Species B: evergreen private credit fund
Its place in the stack	The equity layer	One of the lenders moving down from above
What Force 09 does to it	A threat: credit competes for its companies	An opening: the shift to credit is its market
What it can offer a company	Equity, with diligence, a board seat and an exit	Loans and holdings, without dilution
Its own risk	Being left with equity's own ground only	The liquidity promise to its investors (Force 05)

SOURCE Odit Frontier Partners, following Figures 0.1 and 0.3 and Force 05.

It attacks the uniqueness of equity as a financing product, and the collision is between what the fund requires in exchange for capital and what a credit provider does not. Table F9.4 sets the two side by side.

Table F9.4 COLLISION MAP: WHAT EACH ROUTE ASKS OF THE COMPANY

NOTE The left column is what the equity route requires; the right is what the credit route does not.

What the equity route requires	What the credit route does not
A diligence process measured in months	A credit decision measured in weeks, against documented cash flows
Permanent dilution of existing owners	No dilution, and the facility ends when it is repaid
Board representation and governance rights	Covenants, which constrain conduct without transferring control
An exit expectation the company must eventually serve	A repayment schedule the company already understands
Valuation agreed at a moment the company may not have chosen	Pricing against assets and receivables rather than against a multiple

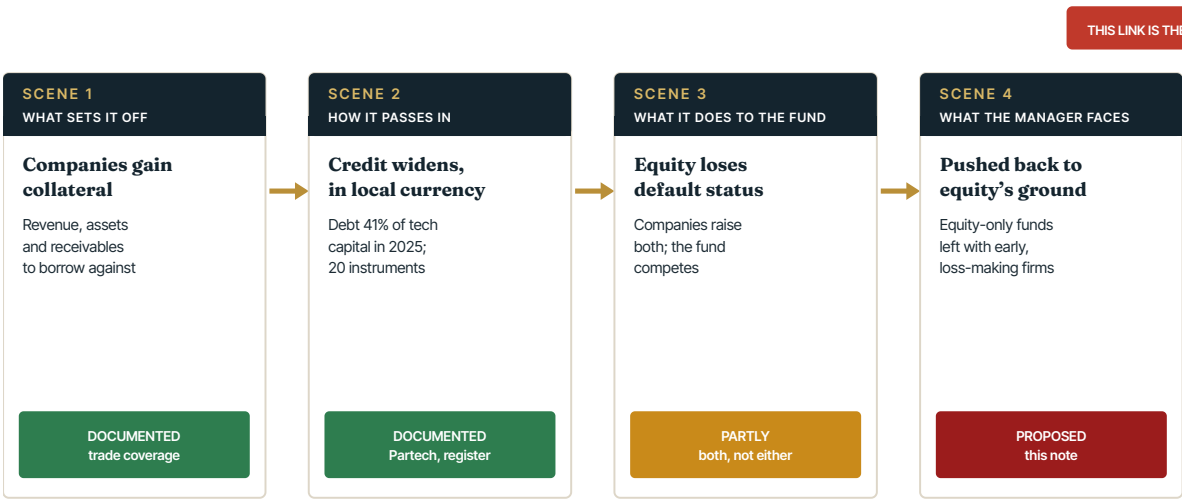
SOURCE Odit Frontier Partners.

3 How the attack happens, scene by scene

Force 09 reaches the fund in four scenes: two documented, one partly, and the fourth this note's proposition. Figure F9.4 shows the chain: companies gain things to borrow against, credit providers widen their range in local currency, equity loses its default status, and an equity-only fund is pushed back to equity's own ground. Each scene is explained below the figure, with its sign.

Figure F9.4 HOW FORCE 09 REACHES THE FUND, SCENE BY SCENE

NOTE Green: documented in published sources. Amber: partly documented. Red: this note's proposition. The evidence for each scene is set out in Part 4, Table F9.5.



SOURCE Odit Frontier Partners.

SCENE 1 · WHAT SETS IT OFF: COMPANIES GAIN THINGS TO BORROW AGAINST

Trade coverage of the shift attributes it to three things, and they are worth separating because only the third is cyclical. Companies increasingly have predictable revenue against which formal credit can be extended, which is a durable change in their capability. Asset-heavy models generating receivables suit debt structurally. And founders are avoiding dilution while valuations are under pressure and exit routes are narrow, which is a condition of the present cycle rather than a permanent preference. ***This note treats the first two as structural and the third as cyclical, and the force rests on the first two.***

SCENE 2 · HOW IT PASSES IN: CREDIT WIDENS, IN LOCAL CURRENCY

Banks, bond markets and structured lenders now offer African companies a wide range of instruments, many in local currency. The sign is the debt share of technology capital, set out in Figure F9.5, and the range of instruments in Table F9.6.

SCENE 3 · WHAT IT DOES TO THE FUND: EQUITY LOSES ITS DEFAULT STATUS

Where a company has revenue, assets or receivables, the equity route must now justify its price in governance and ownership, not only in capital. The sign would be companies able to raise equity declining it for credit. The record shows companies raising both instead, which is why this scene is only partly documented.

SCENE 4 · WHAT THE FUND MANAGER FACES: PUSHED BACK TO EQUITY'S OWN GROUND

An equity-only fund is left competing for the companies credit cannot serve: early-stage and loss-making ones. The sign would be equity funds' portfolios shifting toward earlier stages, or funds adding credit to what they offer. Neither has been measured, which is why this scene is a proposition.

4 The evidence, scene by scene

The evidence for Force 09 is strong from above and beginning to appear from below. Table F9.5 sets out each scene. Figure F9.5 and Table F9.6 then show the shift and the instruments, Table F9.7 sets out what each route costs the company, and the end of this part tests the stack from below.

Table F9.5 THE EVIDENCE FOR FORCE 09, SCENE BY SCENE: WHAT WOULD HAVE TO BE TRUE, THE EVIDENCE FOR AND AGAINST, AND ITS STATUS

NOTE Documented means a reported finding in a published source; partly means documented in part; proposed means this note's argument.

Scene	What would have to be true	Evidence for	Evidence against or limiting	Status
1. Companies gain collateral	Companies have revenue, assets or receivables to borrow against	Trade coverage names predictable revenue and asset-heavy models as structural causes; 10 of the 20 instruments in Table F9.6 lend against assets or receivables	The third cause, avoiding dilution at low valuations, is cyclical	DOCUMENTED
2. Credit widens	Credit reaches companies in more forms and in local currency	Partech: debt 41% of African technology capital in 2025 against 17% in 2019. Launch Base Africa: 18.5% to 36.7%, H1 2025 to H1 2026. Debt 38% of the register's capital raisings by count	The two series rest on different universes and are not joined	DOCUMENTED
3. Equity loses default status	Companies able to raise equity choose credit instead	ARC Ride and others raise both; credit reaches companies once financed with impact equity	No evidence that companies able to raise equity are declining it	PARTLY
4. Pushed back to equity's ground	Equity-only funds are left with early, loss-making companies	None measured	The largest African transactions of 2026 include equity at multi-billion-dollar scale	PROPOSED

SOURCE As cited in this part.

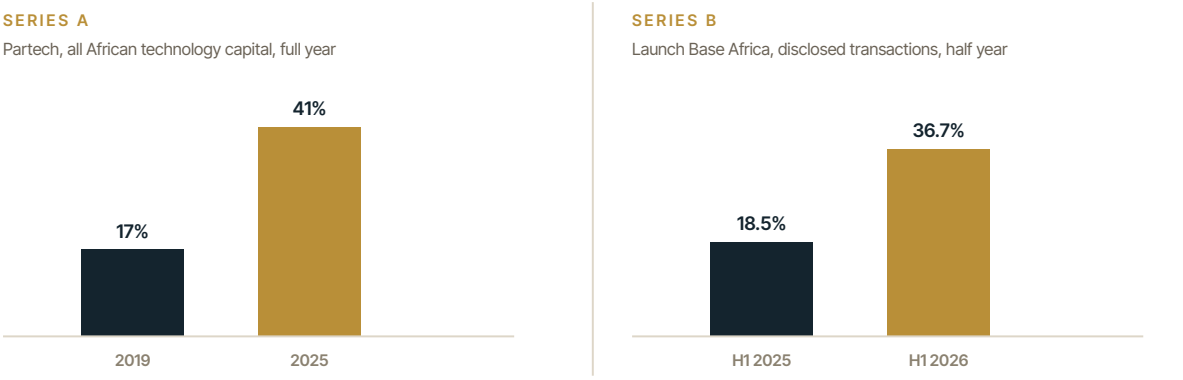
SCENE 2 · THE SHIFT, AND THE INSTRUMENTS

The debt series in Force 02 is doing different work here and is not counted twice. There it establishes that operators assemble their own capital; here it establishes what kind of capital they assemble. Partech puts debt at 41% of all African technology capital in full-year 2025, against 17% in 2019.[155] On a narrower disclosed-transaction basis, Launch Base Africa records debt rising from 18.5% of African technology capital in the first half of 2025 to 36.7% in the first half of 2026.[156] Those series rest on different universes and are not spliced.

155 Partech, 2025 Africa Tech VC Report, 22 January 2026.
156 Launch Base Africa, H1 2026 African tech funding tabulation, and May 2026 instrument tabulation.

Figure F9.5 THE DEBT SHARE OF AFRICAN TECHNOLOGY CAPITAL, ON TWO SEPARATE MEASURES

NOTE The two series rest on different universes and different period bases and are shown side by side rather than joined. Neither should be read as a continuation of the other.



SOURCE Partech, 2025 Africa Tech VC Report, 22 January 2026. Launch Base Africa, H1 2026 African tech funding tabulation, and May 2026 instrument tabulation.

The instrument range is visible in the transactions themselves, and the local-currency capability is the part that matters most. Across 2026 the disclosed African record includes commercial paper issued in naira, local-currency securitisations of agricultural receivables in Kenyan shillings, credit facilities to payments businesses, and asset-backed facilities against vehicle fleets, alongside the syndicated and sustainability-linked facilities set out in Force 02, as Table F9.6 shows.[157] **Monthly debt-share figures circulate widely and are not used here: the disclosed monthly base is small enough that a single facility moves the percentage by tens of points, and the note treats such figures as unusable rather than merely noisy.**

Table F9.6 THE INSTRUMENT RANGE IN 2026: CREDIT REACHING AFRICAN OPERATING COMPANIES

NOTE Selected from 2026 debt, bond and structured-finance records for operating companies in this note's register to 14 November 2026; not a comprehensive list. Credit lines to banks for on-lending and loans to governments are excluded. The record leans to Nigeria, Kenya and South Africa.

Instrument	Company	Amount	Date	Lender, terms and use
Commercial paper	ThriveAgric, Nigeria	US$3.94m	Sep 2026	Debut issue above a US$3.7m target, under a US$37.18m programme approved by the Securities and Exchange Commission.
Local-currency bond	Eat & Go SPV, Nigeria	NGN 7.76bn	27 Jan 2026	Series II 20% fixed-rate senior unsecured bonds due 2033, under a NGN 35bn programme.
Guaranteed green bond	Swami Agri, Senegal	XOF 30bn	Oct 2026	About US$52m, fully guaranteed; the ALCB Fund disclosed an anchor ticket of about US$7m. Funds solar cold rooms and a 16.7 MW plant.
Social bond	UsPlus, South Africa	R50m	Sep 2026	Four-year senior unsecured social bond taken by the ALCB Fund, following an inaugural 2024 issue. SME working-capital lender.

157 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Instrument	Company	Amount	Date	Lender, terms and use
Retail bond	Zembo, Uganda	Not stated	Jun and Oct 2026	Two crowdfunded 8.0% bonds through Energise Africa, financing imports of electric motorcycle kits assembled in Uganda.
Green bond, receivables	d.light	US$50m	Jun 2026	The first time African off-grid solar receivables entered public bond markets.
Securitisation	SunCulture, with Mirova	US$10m	Oct 2026	Securitisation of receivables from productive-use solar irrigation systems.
Asset finance, mobility	M-KOPA Kenya Mobility	US$30m	Aug 2026	Senior debt from FMO for its electric motorbike financing unit.
Asset finance, mobility	Spiro	US$50m and US$18m	Feb and Sep 2026	Debt from Afreximbank, Nithio and the Africa Go Green Fund, followed by a further US$18m from the Africa Go Green Fund.
Asset finance, mobility	GoCab, Côte d'Ivoire	US$30m	Feb 2026	Debt from Cur8 Capital and others.
Asset finance, mobility	Watu Credit	US$7m	Sep 2026	Debt from AHL Venture Partners for working capital and loan-book growth.
Guaranteed senior debt	Drive45 Mobility, Nigeria	US$3m	Sep 2026	Senior debt from TLG Capital, backed by a Cascador guarantee in partnership with Morgan Stanley.
Syndicated refinancing	Optasia	US$330m	13 Apr 2026	US$180m of term facilities and US$150m of bank guarantees, Standard Bank joint mandated lead arranger.
Fintech credit facility	Nomba, Nigeria	US$3m	Sep 2026	Debt facility to grow cross-border payments; lender not named.
Bank credit facility	Helios Towers	US$29m	15 Jul 2026	Social documentary credit facility from Standard Bank for shared tower infrastructure.
Revolving credit	Traxtion, South Africa	US$34m	Jun 2026	Absa revolving credit facility, to be replaced with longer-term debt.
Equipment finance	Okra Solar, Nigeria	US$7m	Oct 2026	Debt from British International Investment to buy equipment upfront and in bulk for about 150,000 new connections.
Project senior debt	Cold Solutions Rwanda	Up to US$18m	Oct 2026	Senior debt from the Africa Go Green Fund for a cold-storage facility in Kigali.
DFI term loan	FERMAV Industries, Guinea	US$20m	26 Mar 2026	IFC loan for Guinea's first vertically integrated poultry operation.
Mezzanine debt	Nesa Power, South Africa	US$9.1m	Jul 2026	From Maia Capital Partners, to acquire solar PV sites and grow its power purchase agreement portfolio.

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

SCENE 3 · WHAT EACH ROUTE COSTS THE COMPANY

A company does not compare routes by cost of capital alone; it compares what each route asks of it, and only credit is priced in a published rate. Table F9.7 sets the main routes side by side. Bank lending rates are published monthly: in September 2026 Nigerian banks' average prime lending rate was 19.04% and their average maximum rate 32.62%;[158] Kenyan banks averaged 14.39% in July 2026;[159] and South Africa's prime rate was 10.75% from September 2026.[160] Equity has no such rate. Its price is paid in ownership, board seats and an exit, which is why the comparison a company makes is the one in the collision map rather than a cost-of-capital calculation.

Table F9.7 WHAT EACH FINANCING ROUTE ASKS OF THE COMPANY: TIME, OWNERSHIP, CURRENCY AND PRICE

NOTE Published rates are bank averages, not the rate any one company pays. A figure not found is marked as not disclosed or not measured rather than estimated.

Route	Time to decision	Ownership and control given up	Currency	Price
Equity from a fund	A diligence process measured in months	Permanent dilution; board seat and governance rights; an exit to serve	Usually US dollars, unless the fund is local-currency	No published rate: paid in ownership, control and an exit
Bank loan or facility	A credit decision measured in weeks, against documented cash flows	None; covenants constrain conduct	Local currency, or US dollars	Nigeria: prime 19.04%, maximum 32.62% (Sept 2026). Kenya: average 14.39% (July 2026). South Africa: prime 10.75% (from Sept 2026)
Local-currency bond or commercial paper	Set by the issue programme and the regulator	None	Local currency	Eat & Go naira bond: 20% fixed, due 2033. Other coupons not disclosed in the record
Securitisation of receivables	Not measured here	None; the receivables are sold or pledged	Local currency or US dollars	Not disclosed in the cases recorded
Asset finance	Not measured here	None; the asset is the security	Mostly US dollars in the record	Not disclosed in the cases recorded

SOURCE Collision map, Table F9.4; Central Bank of Nigeria via ThisDay, 26 October 2026; Central Bank of Kenya via Kenyans.co.ke, 18 September 2026; South African Reserve Bank via BusinessTech, 23 September 2026; this note's register.

SCENES 3 AND 4 · THE STACK FROM BELOW, AND WHAT IT LEAVES OPEN

If banks and structured lenders are moving down into the fund's territory from above, the symmetrical proposition is that digital lenders are moving up into it from below, out of short-tenor working capital and into larger, longer and more structured business finance. That would squeeze the equity layer from both directions at once. ***It was tested as a boundary-movement question and the evidence does not currently support it.***

BCG's March 2026 assessment of African financial technology finds formal credit penetration still shallow, with more than half of borrowing continuing through semi-formal or informal channels, and identifies weak credit bureaus, thin-file small companies and high capital costs as continuing to limit

158 ThisDay, Despite cut in MPR, average maximum lending rate rises to 32.62%, 26 October 2026, citing Central Bank of Nigeria data for September 2026.
159 Kenyans.co.ke, Ruto calls on commercial banks to lower loan rates from 14% average, 18 September 2026, citing Central Bank of Kenya data for July 2026.
160 BusinessTech, Reserve Bank hikes interest rates in South Africa, 23 September 2026.

risk-based lending at scale.[161] It frames credit deepening as the sector's next challenge rather than its present achievement. A World Bank focus note counts around 270 inclusive credit financial-technology companies on the continent raising more than US$4bn across a decade, roughly a third of all African financial-technology funding, while recording that 54% do not survive their first funding round and that debt funding for them remains scarce.[162] Published terms at representative small-business lenders sit in the range of a few hundred dollars to a few hundred thousand, at twelve-month tenor. That is the working-capital band, not an encroachment on growth equity.

The asymmetry is the finding, and it matters more than a confirmation would have. The stack is densifying from above, where the debt series and the instrument range are documented, and it is not yet densifying from below. ***Which means the space beneath the conventional fund remains genuinely unserved rather than newly contested, and this note reads that as the opposite of a threat.*** It is consistent with the formation evidence in Force 03, where managers targeting under US$5m reached viable size 52% of the time against 17% for those targeting more. The smaller end is where intermediation still has work that nothing else is doing.

Two qualifications hold that in place. The absence of evidence for boundary movement is not evidence that it will not occur, and the same data infrastructure that BCG identifies as missing is being built. And a digital lender reaching many thousands of businesses with continuous repayment data offers a development investor something a twelve-company portfolio cannot: reach, measurement and faster recycling of the same capital. ***No African dataset quantifying that comparison was identified, so it is noted as a live question for Force 06 rather than an established pressure here.***

The 2026 record shows the boundary beginning to move, faster than the test above found, though not yet to the size of a fund's cheque. Digital and platform lenders are now lending at scale on businesses' own transaction data. Moniepoint disbursed more than US$700m of business loans in 2025, three in four to businesses taking formal credit for the first time.[163] FinStore in Nigeria offers loans of up to N100m to larger firms, sized on the size and performance of the business.[164] Yoco in South Africa advances R2,000 to R1.5m to merchants on their payment data, repaid from daily sales, has advanced more than R6.5bn to over 40,000 merchants since 2018, and has a US$100m credit facility to lend more.[165] Bridgement and SHONA Capital raised debt facilities in 2026 to scale algorithm-scored lending to small businesses.[166] The largest of these tickets, around US$90,000 at end-2025 exchange rates on this note's conversion, remains well below a fund's, and no published figures were found showing loan sizes growing with a borrower's repayment record. The space just beneath the fund is therefore contested sooner than expected rather than unserved, and the competitor for the smallest funds, including those in Force 03's formation evidence, is increasingly the platform lender rather than the bank.

Debt does not substitute for equity in the cases that matter most to a fund. It requires cash flows to service, which excludes exactly the early-stage and turnaround situations where equity does its distinctive work. It cannot fund a loss-making growth phase, absorb a failure, or carry the risk that a business model does not work. Covenants constrain a company more than trade coverage suggests, and a facility that must be refinanced in a harder market is a different proposition from permanent capital. The African equity market also remains substantial in absolute terms, and the largest African transactions of 2026 include an equity placement at multi-billion-dollar scale. ***No evidence was identified that African companies able to raise equity are systematically declining it in favour of credit, as distinct from raising both.***

161 BCG, Beyond Payments: Unlocking Africa's Second FinTech Wave, 13 March 2026.
162 World Bank, Innovative Financing for Inclusive Credit Fintechs in Africa, January 2025.
163 Brand Spur, Moniepoint Impact Report 2026: first-time business credit drives SME growth across Africa, 23 July 2026.
164 Legit.ng, Nigerian fintech FinStore offers SMEs loans of up to N100m, 12 September 2026.
165 Business Tech Africa, South African fintechs want a bigger share of the lending market, 12 November 2026.
166 Launch Base Africa, Stablecoins and data-driven lending: what African tech investors backed in July, 3 August 2026.

The register's cases show credit reaching companies across sectors, much of it in local currency. Table F9.8 sets them out by scene. Across all sectors, debt and debt-like instruments account for 152 of the 401 capital-raising transactions in the register, 38% by count.[167]

Table F9.8 CASES FROM THE RECORD FOR FORCE 09, BY SCENE: AT WORK AND AGAINST

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register. The record leans to Nigeria, Kenya and South Africa.

Scene	Case	Date	What the record shows	What it shows here	Source
2	**At work:** ThriveAgric debut commercial paper	Sept 2026	US$3.94m raised against a US$3.7m target under a US$37.18m programme approved by Nigeria's Securities and Exchange Commission.	Local-currency short-term debt funding an agribusiness that would once have been an equity case.	African-Startups, via LinkedIn.
2	**At work:** Swami Agri green bond in the UEMOA zone	c. Oct 2026	About US$52m raised through an XOF 30bn green bond, fully guaranteed, with the ALCB Fund disclosing an anchor ticket of about US$7m.	A mid-sized company funding capital expenditure through guaranteed listed debt rather than equity.	AYAN Partners, via LinkedIn.
2	**At work:** Receivables reach the bond market	Jun to Oct 2026	d.light listed a US$50m green bond, the first time African off-grid solar receivables entered public bond markets.	Assets once financed by impact equity funds are being refinanced through capital markets.	Launch Base Africa and LinkedIn posts.
2	**At work:** Local-currency credit listed abroad and at home	Aug to Sept 2026	A US$100m Tanzanian shilling bond listed on the London Stock Exchange. The ALCB Fund added R50m to a four-year social bond in South Africa.	The local-currency capability this force singles out.	Further Africa and LinkedIn posts.
3	**At work:** Optasia refinancing	13 Apr 2026	A US$330m syndicated refinancing and upsizing of US$180m of term facilities and US$150m of bank guarantees.	A bank syndicate financing a technology company at a scale few African growth funds could lead.	Africa Private Equity News.
3	**At work:** Yoco's first debt raise	10 to 11 Nov 2026	A US$100m credit facility from Victory Park Capital Advisors, a United States private credit manager, after more than US$150m of equity from TPG, Dragoneer and others.	An equity-funded African fintech adding private credit to its capital stack, at the size of a lower mid-market fund.	The Paypers, 11 November 2026. Billionaires.Africa, 10 November 2026.
3	**Against:** ARC Ride raises equity and debt together	Sept 2026	A US$33.3m round of US$23m equity and US$10m debt, co-led by Novastar Ventures and Norrsken22.	Companies raise both rather than replacing one with the other.	TechAwkNG, via LinkedIn.

SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

Force 09 is not a claim that credit replaces equity; the counter-evidence refutes that. Debt needs cash flows to service, cannot fund a loss-making growth phase and cannot absorb failure. The claim is that equity has lost its status as the default answer for companies with revenue, assets or receivables, and that the fund now competes for a mandate it once received by default. From below, digital and platform lenders are beginning to move up; their tickets are still well below a fund's, but the space just beneath the fund is no longer simply unserved.

167 As note 157.

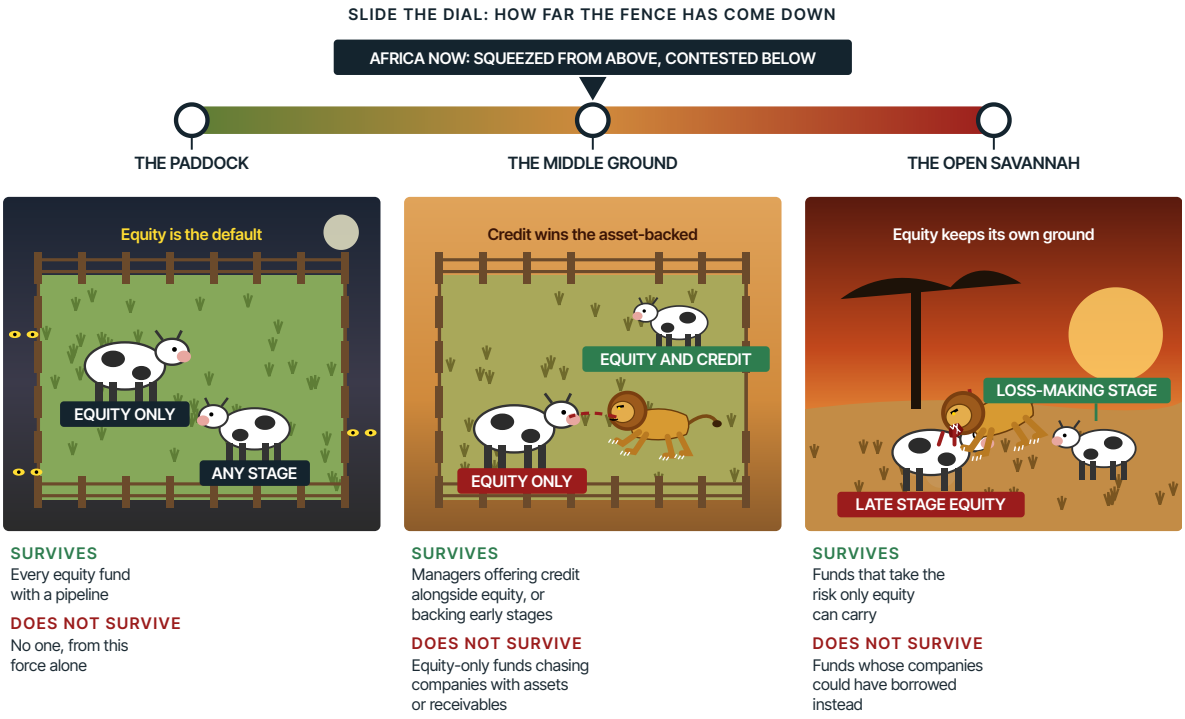
The claim is not that credit replaces equity, which the counter-evidence refutes. It is that equity has lost its status as the default answer to the question of how a growing African company should be financed, and that the fund now competes for a mandate it once received by default. Where a company has revenue, assets or receivables, the equity route has to justify its price in governance and ownership rather than only in capital.

5 Sliding the dial: who survives Force 09, and who does not

How much damage Force 09 does depends on how dense the financing stack has become around the fund. In the paddock equity is the default for any growing company. In the middle ground credit wins companies with assets or receivables, from above. On the open savannah credit arrives from above and below, and equity keeps only its own ground. Figure F9.6 slides the dial and shows, for each position, who survives and who does not; Table F9.9 gives the full wording. The marker shows where this note reads the market now: in the middle ground, squeezed from above and beginning to be contested from below.

Figure F9.6 SLIDING THE DIAL FROM PADDOCK TO OPEN SAVANNAH: WHO SURVIVES FORCE 09 AND WHO DOES NOT

NOTE The three positions are those of Figure 1.1, drawn as in Figures 1.2 to 1.4: the cows stand for funds and the lions for the force. Who survives and who does not is this note's proposition, built from Parts 3 and 4; the marker is this note's reading as at November 2026.



SURVIVES
Every equity fund with a pipeline

DOES NOT SURVIVE
No one, from this force alone

SURVIVES
Managers offering credit alongside equity, or backing early stages

DOES NOT SURVIVE
Equity-only funds chasing companies with assets or receivables

SURVIVES
Funds that take the risk only equity can carry

DOES NOT SURVIVE
Funds whose companies could have borrowed instead

SOURCE Odit Frontier Partners, following Figures 1.1 to 1.5 and Parts 3 and 4 of this force.

Table F9.9 SLIDING THE DIAL, IN FULL: WHAT HAPPENS TO THE FINANCING MANDATE, WHO SURVIVES FORCE 09 AND WHO DOES NOT, AT EACH POSITION

NOTE The full wording behind Figure F9.6. All three right-hand columns are this note's proposition.

Position	What happens to the financing mandate	Survives	Does not survive
The paddock Fence holds	Equity from a fund is the default for any growing company.	Every equity fund with a pipeline.	No one is forced out by this force alone.
The middle ground Fence has gaps	Credit from above wins companies with assets or receivables, often in local currency.	Managers offering credit alongside equity, credit vehicles of Species B, and funds backing the stages credit cannot reach.	Equity-only funds pursuing companies that could borrow.
The open savannah No fence	Credit arrives from above and below; equity keeps only the risk credit cannot carry.	Funds that take the risk only equity can carry: early-stage, loss-making and turnaround companies.	Funds whose companies could have borrowed instead.

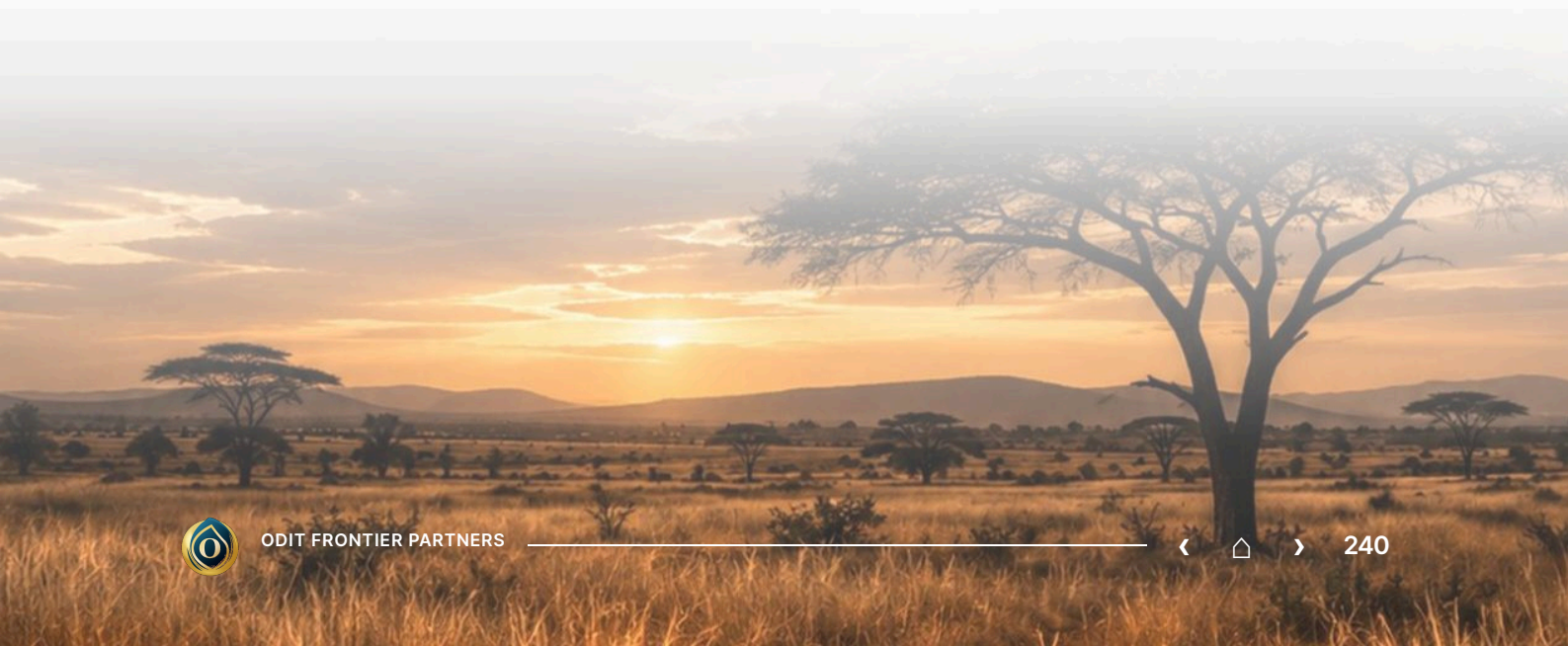
SOURCE Odit Frontier Partners.

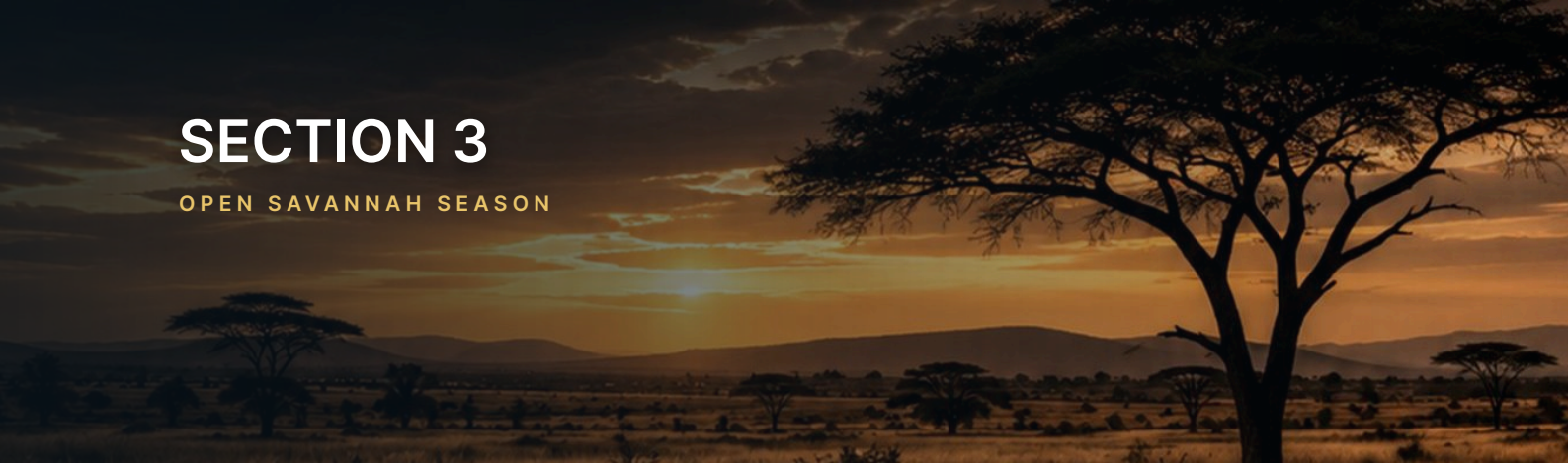
6 What Force 09 leaves the African private equity fund

The fitness question is therefore asked from the other side of the table, which is where this force differs from every other in this note. Why should this company take equity from this institution, when another provider can fund the same need faster, without dilution and with less scrutiny? An intermediary that cannot answer that question is not competing for a better price. It is competing for relevance to a decision the company has already reframed.

What would move Scenes 3 and 4 from proposition to finding is evidence of choice, not of volume. It would take companies able to raise equity documented choosing credit instead; African equity funds' portfolios shifting toward earlier stages; and fund managers adding credit to what they offer. The register is the place this note will look for each.

In short, the company now asks what kind of capital it wants before it asks who should provide it, and the answer is increasingly not equity. Credit reaches African companies from above, faster, in more forms and often in local currency, and wins where a company has assets or receivables. From below, digital and platform lenders are beginning to move up, so the space just beneath the fund is being contested sooner than expected. An equity fund now competes for a mandate it once received by default.





SECTION 3

OPEN SAVANNAH SEASON

3 Into the Funnel: How the Forces Converge

Which forces cut deepest, which arrive first, and why they meet at a fund manager's next fundraise

A

SECTION 3 · PART 1 OF 4

Good news is not a defence: testing the nine forces against the 2026 market

The 2026 evidence on African private capital, why a strong year cannot disprove a structural shift, and what OFP's register shows

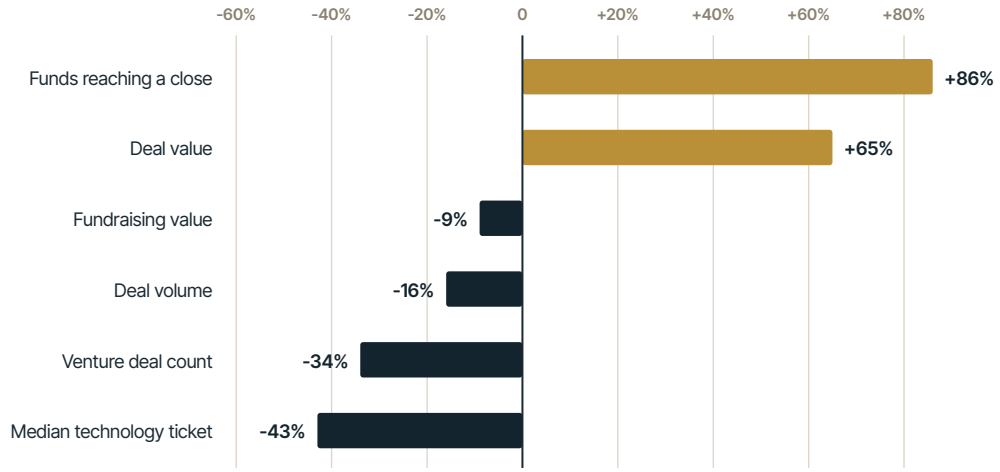
Having set out the nine forces, this note now tests them against the 2026 market, because they describe structural pressure on the African private equity fund, not a hard fundraising year. Fundraising cycles tighten and loosen, and returns disappoint and recover. That cyclical difficulty affects when a fund manager can raise a fund, not whether the fund model works. Structural pressure questions the model itself, and it does not go away when the cycle turns. The industry's own researchers now draw the same line. McKinsey's 2026 private markets work describes shifts in deployment, returns, value creation and fundraising, "previously considered to be episodic", as "more likely structural features of a maturing industry".[168] Bain's 2026 report frames a fourth consecutive year of distributions below 15% of net asset value, the weakest run since 2008 and 2009, as a duration problem rather than a window that has closed.[169]

The 2026 numbers for African private capital show activity coming back, but not size. On the count of AVCA, the African Private Capital Association, the value of final closes of African funds fell 34% in 2025 on the year before.[170] In the first half of 2026, read against the first half of 2025, 13 funds reached a final close against 7, the average time to final close fell from 2.7 years to 1.8, and deal value rose 65%.[171] But fundraising value was still down 9%, so more funds were closing faster at smaller sizes. Deal volume fell 16%, the number of venture capital deals fell 34%, and the median African technology deal size fell 43%.[172] Figure 3.1 shows what recovered and what did not.

168 McKinsey, Global Private Markets Report 2026.
169 Bain, Global Private Equity Report 2026.
170 AVCA, 2025 African Private Capital Activity Report, 25 March 2026.
171 AVCA, Q2 2026 African Private Capital Report and Q2 2026 Venture Capital in Africa Report, 28 July 2026.
172 AVCA, Q2 2026 African Private Capital Report and Q2 2026 Venture Capital in Africa Report, 28 July 2026. Median deal size: Launch Base Africa, first-half 2026 funding data.

Figure 3.1 WHAT RECOVERED AND WHAT DID NOT: AFRICAN PRIVATE CAPITAL, FIRST HALF OF 2026 AGAINST FIRST HALF OF 2025

NOTE Gold marks an increase, navy a decrease. Percentage changes are calculated by OFP from AVCA's published half-year totals. Time to final close, which fell from 2.7 years to 1.8, is left out because a fall there is an improvement and would reverse the direction of the chart.



SOURCE AVCA, Q2 2026 African Private Capital Report and Q2 2026 Venture Capital in Africa Report, 28 July 2026.

The right word is not trough and not recovery. It is recomposition. Fund count, closing speed and exit throughput have returned. Fundraising value, deal volume and the median equity ticket have not, and the capital stack is shifting from equity to debt underneath both.

A strong year cannot by itself disprove a structural shift, because an old model can reach its peak after its replacement has already arrived. African funds are still closing, exits are at record volume and development finance institutions are still committing to African funds. If the fund model were under structural pressure, would the numbers not already show it? Not necessarily. Activity records what a market is still doing; structural fitness records what it is becoming, and the first can peak after the second has passed. This note calls the gap between the two recognition lag: the period in which the shift has happened but investors' belief, and therefore their capital, has not yet followed. Table 3.1 sets out four documented cases where that happened, with dates and figures.

Table 3.1 RECOGNITION LAG: FOUR CASES WHERE THE OLD MODEL PEAKED AFTER ITS REPLACEMENT ARRIVED

NOTE Selected to show the mechanism, not a complete list of such cases.

Case	When the replacement arrived	The old model's peak	What happened next
Nokia, mobile phones	Apple shipped the first iPhone in June 2007	Fourth quarter of 2007: Nokia sold 133.5m handsets and took 40.2% of the global market, its highest share on Strategy Analytics data. Apple held 0.6%	Nokia's all-time peak came two quarters after its replacement launched
Digital cameras	The smartphone that would displace them reached the market three years earlier	2010: shipments by members of the Camera and Imaging Products Association peaked at more than 120m units	Shipments fell by roughly 94% to 2023
Kodak	Digital imaging, which Kodak itself led	2005: largest seller of digital cameras in the United States for a second year running, on 24.9% share by IDC's count, and more revenue from digital imaging than from film for the first time	Kodak led the replacement technology and still lost the business model underneath it
Recorded music, United States	File sharing appeared in 1999	1999: United States recorded music revenues peaked, on RIAA data	Revenues fell by roughly two thirds over the following decade and a half: the lag can be short

SOURCE Strategy Analytics Q4 2007 handset data via The Register, 24 January 2008. CIPA digital camera shipment series via PetaPixel and Statista. IDC United States digital camera share 2005 via NBC News. RIAA United States recorded music revenue series via AEI.

IMPORTANT CAVEAT

These four cases do not show that African private capital is at such a peak, and this note does not claim that it is. They show something narrower: continued fundraising, record activity or a strong year cannot by themselves disprove a structural shift, any more than they prove one. For that reason each of the nine forces in Section 2 has been tested against the 2026 position, not the 2025 low. Where a figure is purely cyclical it is marked as such and left out of the argument, and where the most recent evidence cuts against the thesis, it is reported in the force section it damages.

OFP's own record of the African market agrees that activity has come back, and shows that the information needed to judge it has not. The AVCA figures above are the industry association's published totals. This note's main reading of the market comes from the OFP LinkedIn Intelligence Register, which Odit Frontier Partners maintains as its evidence base and which Section 8 describes. The register records transactions, fund announcements and closes as published, classifies each by what actually happened rather than by how it was announced, and ties each record to its source.[173] Table 3.2 sets its readings beside the external figures. Activity is plentiful, but the information an investor would need to judge it is thin: 52% of the 688 African deals recorded disclose no amount, 37 of the 47 exits disclose nothing beyond the event, and one fund-level distribution has been published.

173 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table 3.2 THE AFRICAN MARKET ON OFP'S REGISTER, AGAINST THE EXTERNAL FIGURES IN THIS NOTE

NOTE Register measures count records and the presence of investors. External figures are used only as changes over time, and are shown beside the register readings, not combined with them.

Measure	Register reading, to 14 Nov 2026	External year-on-year change cited in this note
Africa deals recorded	688 transactions; 52% disclose no amount	AVCA: deal value up 65%, deal volume down 16%, H1 2026 on H1 2025
Debt in the capital stack	38% of capital-raising transactions by count, all sectors	Partech: debt 41% of technology capital in 2025, from 17% in 2019. Launch Base Africa: 18.5% to 36.7%, H1 2025 to H1 2026
Fund closes	23 Africa-focused final closes; 44 funds still at launched or seeking stage	AVCA: 13 funds closed against 7, H1 2026 on H1 2025
Who funds the funds	Development or public capital named in 49 of 58 funds that name investors; domestic institutions in 12	None used
Exits	47 exit events; 37 disclose nothing beyond the event	AVCA: exits up 27% in 2025 on 2024
Realised fund returns	One fund-level distribution published	None available

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026. External figures: AVCA, Partech and Launch Base Africa, as cited in this section and in Force 09.

B

SECTION 3 · PART 2 OF 4

Not nine equal pressures: sorting the forces by how deep they cut and how fast they arrive

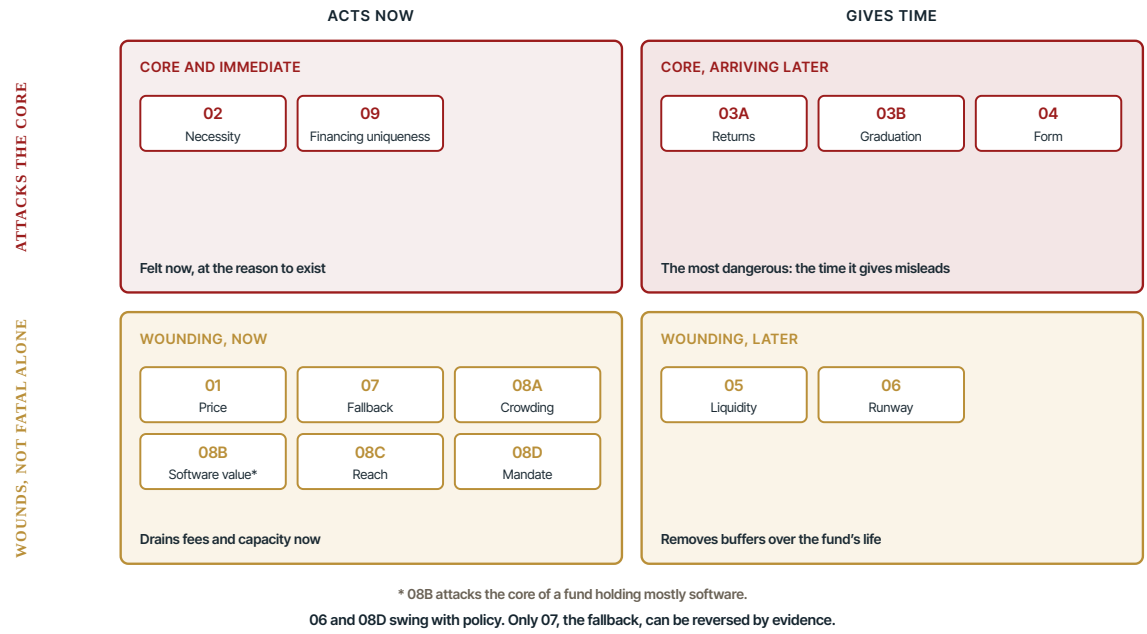
Which forces attack the fund's reason to exist and which wound it, which act now and which give time, and why only one can still be reversed

Read individually, each force is arguable, and each has a serious counter-argument, several of which are set out above rather than left for a critic to supply. Read together, they describe something other than nine trends. They describe a pressure system, and the reason it behaves as a system is precisely that the nine attacks do not overlap. They are aimed at nine separate joints.

The forces are not equal, and treating them as equal hides when and where the fund is most at risk. Each force differs on two counts. The first is how deep it cuts: whether it attacks the fund's reason to exist and to receive capital, or wounds it without being fatal on its own. The second is how fast it arrives: whether it acts on the fund now, or gives the fund time and bites at the next fundraise or at exit. Figure 3.2 sorts the forces and sub-forces on both counts.

Figure 3.2 SORTING THE FORCES: HOW DEEP EACH CUTS, AGAINST HOW FAST IT ARRIVES

NOTE The placements are this note's judgement, built from the scenes of each force in Section 2: core means the force attacks the fund's reason to exist or to receive capital; wounds means it damages the fund without being fatal on its own.



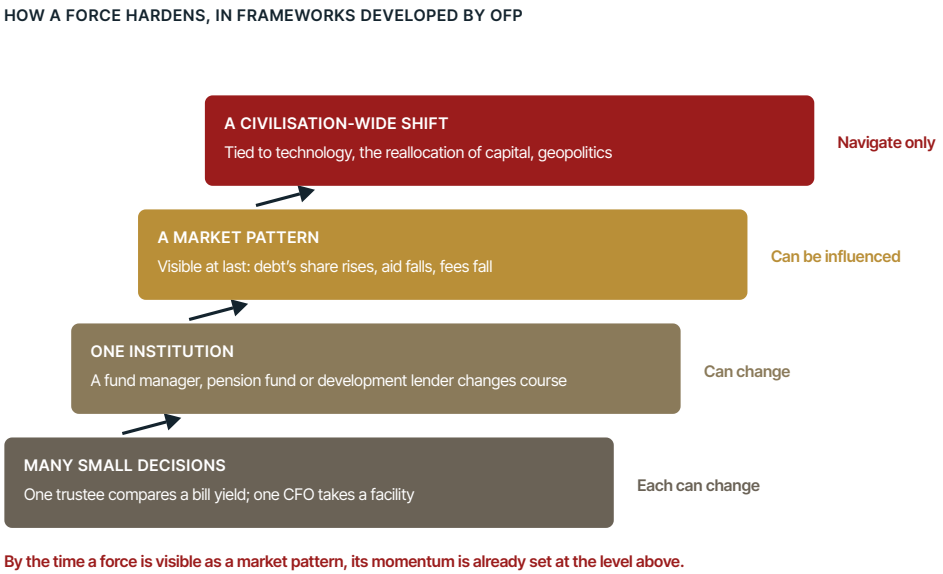
SOURCE Odit Frontier Partners.

Two findings follow from the sort, and both run against intuition. The first is that the forces that attack the core but arrive later, proof and the AI-native entrant, are the most dangerous, because the time they give is misleading: a fund manager that closed comfortably is told nothing is wrong until it is too late to change. The second is that most of the slower wounding forces do not wound directly. Development-capital compression takes away the runway, and local capital closes the fallback. They are buffer removers: they do not kill the fund, but they shorten the time it has to answer the forces that can.

Most of the forces are not trends; they are structural shifts that can be slowed but not reversed. In frameworks developed by OFP, a force of this kind forms from many small decisions made in the same direction: each trustee comparing a bill yield, each company finance officer taking a facility, each analyst adopting an AI tool, each treasury voting on aid. One by one, each can change. Added together, they become a market pattern, and once the pattern is tied to a civilisation-wide shift, such as technology, the reallocation of capital or geopolitics, it can only be navigated. By the time it is visible as a market pattern, its momentum is already set. Figure 3.3 draws the ladder, and Table 3.3 places each force on it, with what government policy can still change about it.

Figure 3.3 HOW A FORCE HARDENS: FROM MANY SMALL DECISIONS TO A SHIFT THAT CAN ONLY BE NAVIGATED

NOTE The four levels follow frameworks developed by OFP. The examples are drawn from the forces in Section 2.



SOURCE Odit Frontier Partners.

Table 3.3 WHERE EACH FORCE STANDS ON THE LADDER: THE SMALL DECISIONS BEHIND IT, THE WIDER SHIFT IT IS TIED TO, WHETHER IT CAN BE REVERSED, AND WHAT POLICY CAN CHANGE

NOTE Definite means it can be slowed but not reversed; swing means government policy can move it in either direction at short notice; reversible by evidence means published proof can undo it. This note's placement, following frameworks developed by OFP.

Forces	The small decisions behind it	The wider shift it is tied to	Category	What policy can change
01, 04, 08B	Each tool adopted, each process automated	Technology	Definite	Speed only, through the regulation of AI and data
02	Each operator raising directly	The reallocation of capital	Definite	None material
03A, 03B	Each investor asking for realised returns	The reallocation of capital, and disclosure norms that only tighten	Definite	None material
05	Each wealth investor in an evergreen vehicle	The reallocation of capital	Definite where the wrapper is sold	Speed: regulators decide where the wrapper spreads
08A, 08C	Each strategic financier	The reallocation of capital, and technology	Definite	Speed
09	Each company finance officer choosing credit	The reallocation of capital	Definite in direction	Speed: interest rates move its cyclical part
06	Each treasury setting aid against defence and debt	Geopolitics and public finance	Swing	Direction: aid can rise or fall in one budget
08D	Each development investor's exclusion list	Energy policy and geopolitics	Swing	Direction: loosening at the World Bank and in the United States, tightening among European lenders
07	Each trustee reading a blank ledger	None: its cause is missing evidence	Reversible by evidence	Speed: pension rules widen or narrow what may be held

SOURCE Odit Frontier Partners.

Two forces swing with government policy rather than moving one way, and that makes them dangerous differently. Development capital and the exclusion of hydrocarbons are set by donor governments, according to geopolitics and how much borrowing their budgets can carry. The ten-year aid trajectory in Force 06 rises and falls country by country, and the United States cut its aid by more than half in one year. On hydrocarbons, the World Bank lifted its ban on nuclear power in 2025 and is under United States pressure on gas, while European development lenders are tightening.[174][175][176] A swing force cannot be forecast in either direction. The risk it carries is not that development capital will certainly fall, but that a fund manager that depends on it cannot plan on it.

One force, local capital, can be reversed by evidence, and only from inside Africa. It is the one force made by local decisions on local evidence: a pension fund that will not commit because the private equity side of its ledger is blank can change its mind the day the ledger fills. Force 07 shows the two ways that can happen: published proof, as when twelve Nigerian pension fund administrators returned for 78% of a private debt series after its first series published its yield; and small experimenters, the funds that are likeliest to produce that proof.

Several of the forces share one driver: the advance of AI. The same curve lowers the cost of a fund's work (Force 01), makes the AI-native entrant possible (Force 04), and lowers what a buyer will pay for software whose only advantage is its code (Sub-force 08B). It also raises demand for the minerals that data centres need: BloombergNEF estimates that AI data centres could add about 400,000 tonnes a year to copper demand, with copper forecast at US$13,500 a tonne by 2028.[177] Convergence is therefore partly a single shift arriving through several doors at once.

SECTION 3 · PART 3 OF 4

C

More holes than limbs: why answering one force opens another

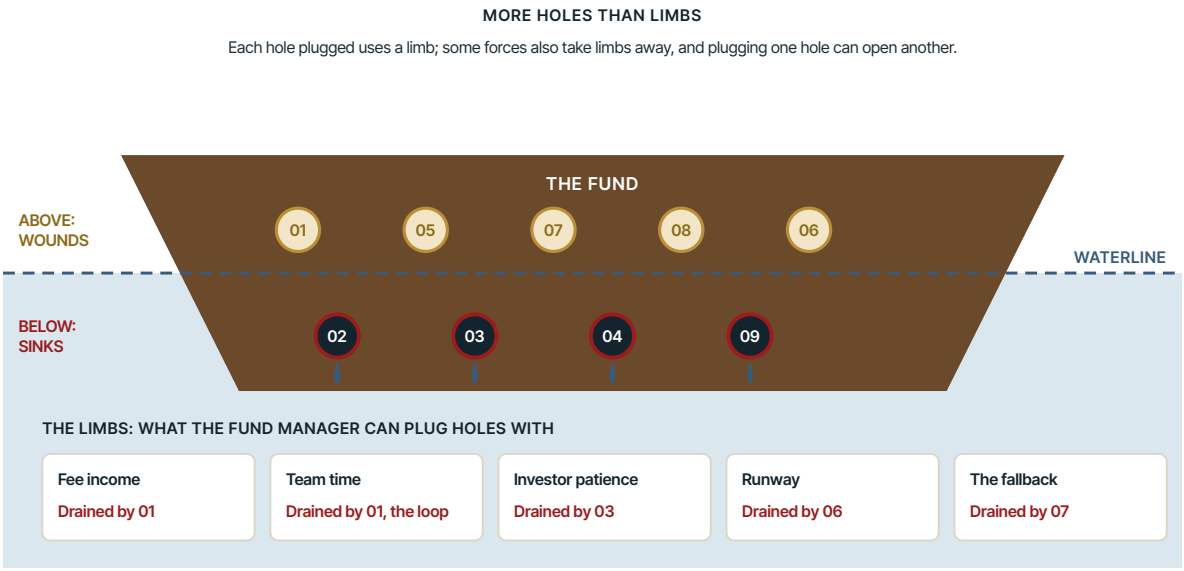
The fund manager's limited means of response, the forces that drain them, and the answers that open new pressures

A fund does not sink because one hole is too big; it sinks when the holes outnumber the hands available to plug them. Picture the fund as a boat taking on water. Holes below the waterline sink it if left open: these are the forces that attack the core. Holes above the waterline let water in only in rough weather: these are the wounding forces. The fund manager has a limited number of limbs to plug them with, and some of the forces also take limbs away. Figure 3.4 draws it.

174 Bloomberg, World Bank lifts ban on nuclear power, considers upstream gas, 11 June 2025.
175 Climate Home News, Under US pressure, World Bank says it will back gas where appropriate, 16 October 2026.
176 E3G, Fossil fuel exclusion policies: FMO, citing FMO's position statement.
177 Mining.com, AI boom pushes copper toward a supply crunch, BloombergNEF warns, 25 August 2025.

Figure 3.4 MORE HOLES THAN LIMBS: THE FUND AS A BOAT TAKING ON WATER

NOTE Holes below the waterline are the forces that attack the core; holes above it are the forces that wound. The limbs and the forces that drain them are named at the foot of the figure.



SOURCE Odit Frontier Partners.

Any one can be answered. A manager can compress cost, sharpen its contribution, produce evidence, redesign the operating architecture, design liquidity terms honestly, or make a real case to domestic allocators. The difficulty is that the nine arrive together and interact. Price pressure reduces the fee income that would fund the rebuild answering the operating-model pressure, and speed is what visibly suffers when that rebuild is deferred. Weak published proof withdraws allocator patience exactly when a manager needs time to rebuild. Operator internalisation narrows the value case when the fund most needs a wide one. A liquidity structure adopted as an answer to one pressure introduces a pressure of its own. And the fallback that would have absorbed the shock is itself the sixth force.

The fund manager has five limbs, and the forces drain each of them. Fee income pays for any rebuild, and Force 01 cuts it. Team time does the work, and the loop set out in Part 4 shrinks it. Investor patience buys time, and Force 03 withdraws it. The runway and the fallback are the two buffers, and Forces 06 and 07 remove them.

Worse, plugging one hole can open another, because the answer to one force is often exposed to a second. Table 3.4 sets out four such answers from the forces in Section 2. The nine forces aim at separate joints, which is why no single answer meets them all; but their answers are connected, which is why answering them one at a time is harder than it looks.

Table 3.4 PLUGGING ONE HOLE OPENS ANOTHER: FOUR ANSWERS, THE FORCE EACH ANSWERS, AND THE FORCE EACH EXPOSES THE FUND TO

NOTE Illustrative, drawn from the forces in Section 2; not a complete list.

The answer	The force it answers	The force it exposes the fund to
Launch an evergreen or credit vehicle	09: companies choosing credit over equity	05: a liquidity promise to keep under stress
Cut costs with AI	01: fees falling as the work gets cheaper	04: entrants built on AI from the start do it better
Move into climate to follow the money	08: capital concentrating on themes	08A crowding, and 03A: the theme label must be proven
Turn to local capital	06: development capital receding	07: local investors ask for the proof (03A) the fund does not publish

SOURCE Odit Frontier Partners.

That is why the cumulative effect exceeds the sum of the parts. A single pressure is a management problem. Nine converging at once is a question about the model.

Read scene by scene, the evidence for convergence is strong where the forces begin and thin where they reach the fund manager. Table 3.5 sets out the status of each scene of each force from Section 2. Every force's first scene, what sets it off, is documented. Almost none of the fourth scenes, what the fund manager faces, is: eleven of thirteen are this note's proposition. Convergence is therefore a proposition built on documented parts.

Table 3.5 THE EVIDENCE SCOREBOARD: THE STATUS OF EACH SCENE OF EACH FORCE AND SUB-FORCE

NOTE Statuses as set out in each force's scene figure in Section 2, read as at 14 November 2026. Documented means a reported finding in a published source; partly means documented in part; proposed means this note's argument.

Force	1. What sets it off	2. How it passes in	3. What it does to the fund	4. What the fund manager faces
01	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
02	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
03A	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
03B	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
04	DOCUMENTED	PARTLY	PROPOSED	PROPOSED
05	DOCUMENTED	DOCUMENTED	DOCUMENTED	PROPOSED
06	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
07	DOCUMENTED	DOCUMENTED	DOCUMENTED	PARTLY
08A	DOCUMENTED	DOCUMENTED	DOCUMENTED	PROPOSED
08B	DOCUMENTED	DOCUMENTED	DOCUMENTED	PROPOSED
08C	DOCUMENTED	DOCUMENTED	DOCUMENTED	PARTLY

Force	1. What sets it off	2. How it passes in	3. What it does to the fund	4. What the fund manager faces
08D	DOCUMENTED	DOCUMENTED	DOCUMENTED	PROPOSED
09	DOCUMENTED	DOCUMENTED	PARTLY	PROPOSED
Totals	13 documented	12 documented, 1 partly	6 documented, 6 partly, 1 proposed	2 partly, 11 proposed

SOURCE Odit Frontier Partners, from the forces in Section 2.

D

SECTION 3 · PART 4 OF 4

Where and when it lands: the fund's cycle, the loop, and the moment the forces converge

Where each force enters the fund's economic cycle, how weakness feeds on itself, and why the forces meet at the next fundraise

Naming the joint each force attacks says what is under pressure. It does not say where a manager feels it. The second layer is therefore the fund's own economic cycle, which runs from fundraising through deployment and value creation to exit and distribution, and then back into the next fundraise. ***The map below is an overlay on the forces already set out rather than a further taxonomy, and the cells describe where each pressure manifests rather than measuring how hard it lands.***

Table 3.6 sets out, force by force, where each pressure enters the fund's cycle. Reading down its columns shows how several pressures stack within a single stage of one fund.

Table 3.6 CYCLE IMPACT MAP: WHERE EACH FORCE ENTERS THE FUND'S ECONOMIC CYCLE

NOTE Each sub-force falls under its parent force's row: 03A and 03B under 03, and 08A to 08D under 08. The cells describe where each pressure appears, not how hard it lands.

Force	Fundraising	Deployment	Value creation	Exit and distribution
01 AI Subsumption	Investors question the cost base and the fee that rests on it	Diligence and screening become cheaper and faster for everyone	Monitoring and analysis cost less, so doing them is no longer a differentiator	Exit preparation and reporting compress, which helps rather than harms
02 Operator Subsumption	Investors ask what must still be bought through the fund	The strongest operators may raise without it, thinning the top of the pipeline	Operator capability reduces what the manager adds after entry	Operators may reach strategic and development buyers directly
03 Proof-of-Concept Subsumption	The sharpest effect: re-ups and first-time commitments both turn on it	Pressure to tighten underwriting so the next vintage is defensible	Pressure to show measurable value creation rather than narrate it	Its home ground: realised returns, cash returned and distributions
04 AI-Native Entrant Subsumption	Entrants raise on a different operating model, not merely a cheaper one	Faster sourcing, screening and execution against the same assets	Faster portfolio intelligence and shorter decision cycles	Faster preparation, though with no realised record to show for it yet

Force	Fundraising	Deployment	Value creation	Exit and distribution
06 Development-Capital Compression	Direct pressure on the most patient part of the investor base	Less supported capital available for the weakest economics	Less tolerance for prolonged support without demonstrated conversion	Re-up becomes harder where realised proof is still thin
07 Local Capital Rescue	Tests whether domestic pools can replace external capital at all	Domestic investors bring different currency, ticket and term requirements	Less-buffered capital tolerates less remediation time	Cash-return expectations get harder rather than softer
08 Thematic Mandate Compression	Capital is available for themes rather than for managers	The binding constraint moves to how many qualifying assets exist	Crowding inside a narrow theme erodes entry pricing and differentiation	Concentrated themes produce correlated exit windows
09 Financing-Stack Subsumption	Investors ask why the equity product is the right one	The strongest cashgenerative companies finance themselves without selling shares	Governance rights are the price of a product the company may not want	Fewer equity-funded companies means fewer equity exits to point at

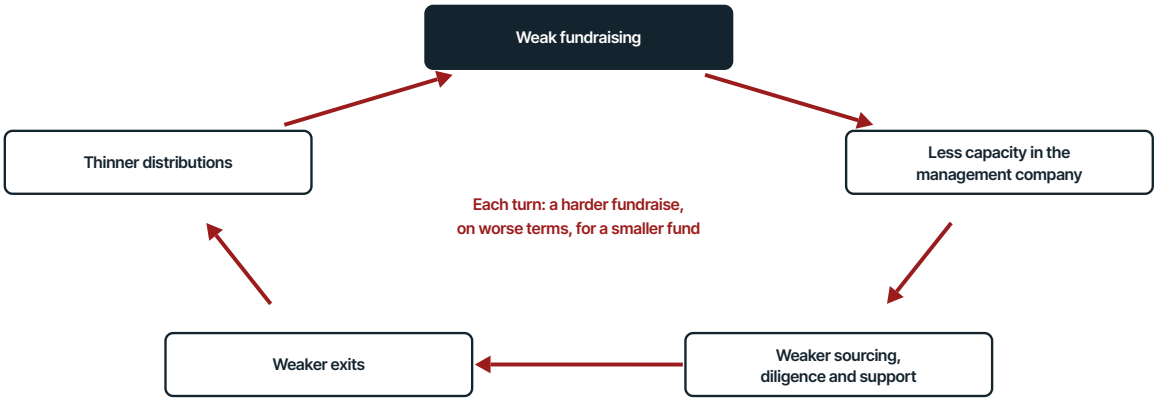
SOURCE Odit Frontier Partners.

Read down the columns rather than across the rows and the compounding becomes visible. A single vintage can meet fundraising pressure from proof, development-capital compression and thematic direction at once; deployment pressure from operator internalisation and faster entrants; value-creation pressure from a narrowing contribution after entry; and exit pressure from liquidity architecture and the absence of realised proof. None of those has to be severe on its own for the combination to be difficult.

Weakness in one stage of the cycle feeds the next, so the loop speeds up with every turn. Figure 3.5 draws it, and the paragraph below sets it out.

Figure 3.5 THE LOOP: HOW WEAK FUNDRAISING FEEDS ON ITSELF THROUGH THE FUND'S CYCLE

NOTE Each arrow is one stage of the fund's economic cycle. The loop can run in the other direction, which is why early adaptation is worth more than late.



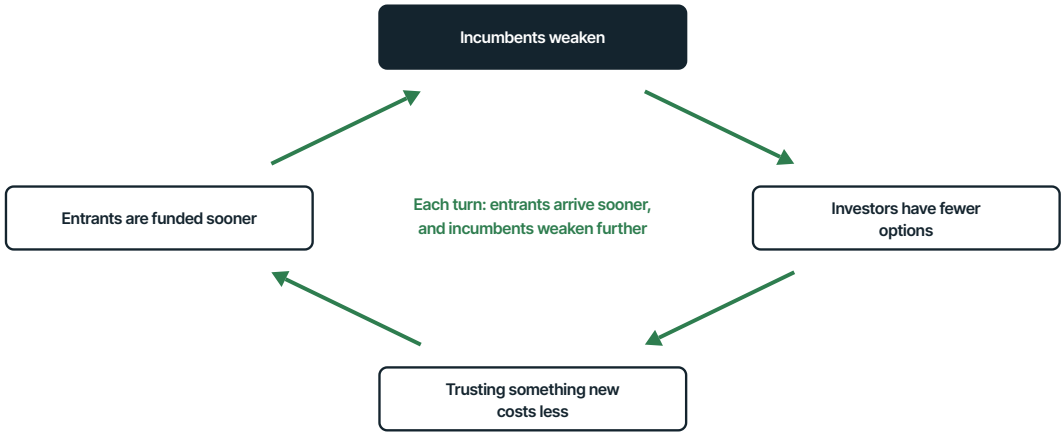
SOURCE Odit Frontier Partners.

There is also a loop, and it is the part most often left implicit. Weak fundraising shrinks the operating capacity of the management company. Reduced capacity degrades sourcing, diligence and portfolio support, which is deployment and value creation. Weaker value creation produces weaker exits. Weaker exits produce thinner distributions. And thin distributions return to the top of the cycle as a harder fundraise, on worse terms, for a smaller vehicle. The loop runs in the other direction too, which is what makes early adaptation worth so much more than late adaptation, and it is why Section 4 treats the timing of a response as more consequential than its content.

A second loop runs in the opposite direction, and it makes convergence recursive. As incumbents weaken under the forces, investors have fewer funds they want to back, and the cost of trusting something new falls. Entrants are funded sooner, which weakens incumbents further. Figure 3.6 draws it. The collapse of incumbents is itself what makes entrants viable sooner: it shortens the one part of an entrant's journey that AI cannot, the time it takes to prove itself to investors. Section 6 calls an entry window a discount on the quantity of proof; this loop is that discount growing.

Figure 3.6 THE ENTRANT'S LOOP: HOW WEAKENING INCUMBENTS LOWER THE COST OF TRUSTING SOMETHING NEW

NOTE This note's proposition. No measurement of investors lowering their proof bar for entrants was identified.



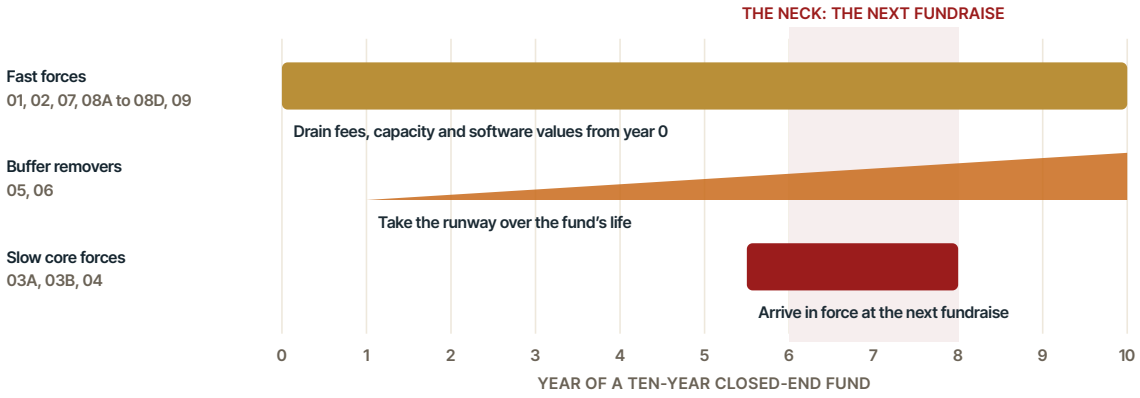
SOURCE Odit Frontier Partners.

Investors losing patience with incumbents do not have to choose entrants, and where their money goes decides who benefits. Their money can go to new fund managers and new forms (Force 04), directly into companies (Force 02), or into credit, bills and listed shares (Forces 09 and 07). Which branch wins depends on whether credible entrants are visible when patience breaks: an entrant already standing catches the money, while one still building watches it go direct or to credit.

Sorted by depth and timing, the forces converge on one moment: the fund manager's next fundraise. The fast forces drain fees and capacity from the first year. The buffer removers take away the runway and the fallback over the life of the fund. The slow forces that attack the core, proof and the AI-native entrant, arrive in force when the fund manager asks investors for its next fund. For a ten-year closed-end fund that is around years six to eight, the point at which the holes are most numerous and the limbs fewest. Figure 3.7 draws the timetable for that typical case, and Table 3.7 sets the dated markers that fall within it. Section 4 shows how the moment differs for funds that closed in 2026, those that did not, and those being built now.

Figure 3.7 WHEN THE FORCES CONVERGE: THE TIMETABLE FOR A TYPICAL TEN-YEAR CLOSED-END FUND

NOTE Illustrative, for a fund raised on a ten-year life whose manager raises its next fund around years six to eight. The grouping of forces follows Figure 3.2; dated markers are in Table 3.7.



SOURCE Odit Frontier Partners.

Table 3.7 THE CALENDAR OF CONVERGENCE: DATED MARKERS FROM 2027 TO 2031, THE FORCES THEY TOUCH, AND THEIR STATUS

NOTE Dates for forces that swing with policy are current policy, not fixed milestones. Markers labelled OFP's foresight proposition are this note's timing judgement, not reported findings.

When	Forces	Marker	Status
Mid-2027 to 2028	01, 04, 08B	AI capability reaches the point where an AI-built operating model outcompetes one that is not, with momentum through 2028. A fund manager that has not begun adapting its operating architecture by 2027 may enter the 2029 to 2031 fundraising window at a material competitive disadvantage, particularly if AI-native entrants demonstrate lower verified operating costs and comparable institutional reliability	OFP's foresight proposition
2027 to 2028	09, 04	Credit and platform entrants can prove themselves within a year or two through yield and repayment	OFP's foresight proposition
16 January 2027	06, 07	Nigeria's presidential and National Assembly elections	Sourced[178]
10 August 2027	06, 07	Kenya's general election	Sourced[179]
2027	07	A proposed Nigerian pension infrastructure fund targets its first close	Register
December 2027	06	The European Union's 2028 to 2034 budget, including a proposed €200bn for its external action instrument, is likely to be settled	Sourced[180]
2028	08C	Copper forecast at US$13,500 a tonne as AI data centres add to demand	Sourced (BloombergNEF)
July 2028	07	Nigeria's 24-month allowance for pension funds to hold parent-company securities ends	Sourced (PenCom, 3 July 2026)
November 2028	06, 08D	United States presidential election	Public fact
2028 to 2031	04	AI-native equity entrants become fatal challengers: three to five years of building from 2026, compressed by AI and by the entrant's loop	OFP's foresight proposition
To 2029	06	ODI estimates a 31% cut in aid volumes across 2024 to 2029	In Force 06
2030	08D	European development finance excludes other fossil fuels, including through funds	In Force 08D

178 AllAfrica, INEC reschedules 2027 general election, 26 February 2026.
179 Dawan Africa, IEBC confirms 2027 election date, 14 September 2026.
180 Devex, EU seeks major boost to development in budget amid Europe-first shift, 17 July 2025.

When	Forces	Marker	Status
2031	06	British International Investment's 2026 to 2031 strategy ends	In Force 06

SOURCE As listed in the Status column; Odit Frontier Partners.

The AI dates in Table 3.7 are this note's timing judgement, and the measured speed of AI development since 2023 is what makes them plausible rather than arbitrary. That speed is measured here in three separate ways, capability, cost and reliability, and they are not combined into one score, because they move at different rates and on different scales.

Capability has grown fastest. METR measures the length of task, in the working time a human expert would need, that an AI agent completes successfully half the time; its tasks are software engineering and research tasks, not the running of an investment institution. On its revised method, GPT-4, released in March 2023, managed tasks of about 3.5 minutes, and Claude Opus 4.5, released in late 2025, about 320 minutes: some ninety times longer in under three years. METR puts the doubling time at about 131 days since 2023, and about 196 days over its longer history.[181] On coding problems, the best published results rose from 4.4% solved in 2023 to 71.7% in 2024, though the systems and test set-ups differ.[182] On real desktop tasks, agents went from about 5% in 2024 to 66.3% in 2025, against 72.35% for people.[183]

Cost has fallen faster than capability has risen. The price of using a model at the level of GPT-3.5 fell from US$20 per million tokens in November 2022 to US$0.07 in October 2024, more than 280 times lower.[184] Work that was too costly to automate in 2023 is now cheap to attempt.

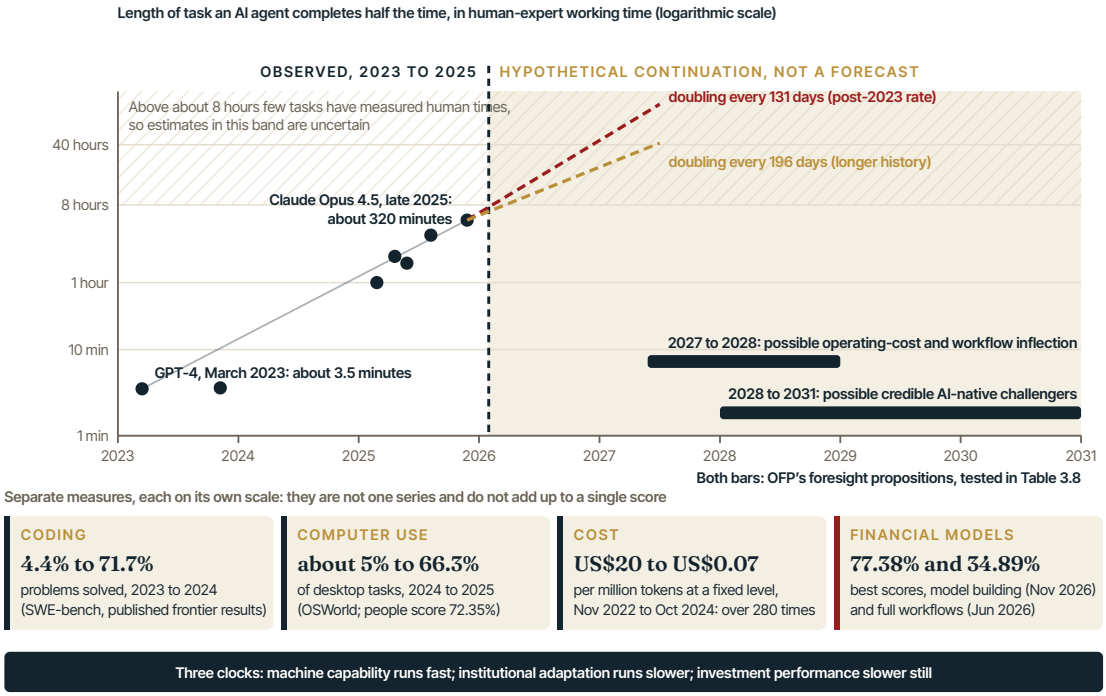
Reliability is where the record is weakest, and it is the measure that matters most to an investor. On a test of building the Excel financial models used in investment banking and private equity, the best model scored 77.38% in November 2026.[185] On complete business spreadsheet jobs, averaging nearly twelve linked worksheets each, the best agent scored 34.89%, and 12% on debugging.[186] The two tests measure different things and are not a series. And benchmark gains are not productivity gains: in METR's randomised study of early-2025 tools, sixteen experienced developers took 19% longer with AI on 246 real tasks, though they expected to be 24% faster; METR has since said those results are out of date.[187]

Continued at either rate, the measured trend would make tasks many times longer within eighteen months. At the post-2023 doubling time, task length would grow about 7 times in twelve months and about 18 times in eighteen; at the longer-run rate, about 3.6 and 6.9 times. These are derivations that assume unchanged growth, tasks and measurement, none of which is guaranteed. Figure 3.8 sets the observed record beside that continuation and the two dated propositions, and Table 3.8 tests each proposition: what makes it plausible, what it assumes, and what would confirm or undo it.

181 METR, Time horizon 1.1, 29 January 2026.
182 Stanford HAI, AI Index Report 2025, April 2025.
183 Stanford HAI, AI Index Report 2026, technical performance.
184 As note 182.
185 Vals AI, Excel Modeling Benchmark v1.1, 11 November 2026.
186 SpreadsheetBench 2: Evaluating Agents on End-to-End Business Spreadsheet Workflows, arXiv 2606.29955, 29 June 2026.
187 METR, Measuring the impact of early-2025 AI on experienced open-source developer productivity, 10 July 2025.

Figure 3.8 THE VELOCITY OF MACHINE INTELLIGENCE: OBSERVED PROGRESS AND THE 2027 TO 2031 TEST

NOTE The chart shows METR's measurements on its revised method, on a logarithmic scale, with each point at the model's release. To the right of the dashed line the two trends are continued only to mid-2027, as arithmetic, not as a forecast. The four measures below the chart each keep their own scale. The two bars are OFP's foresight propositions from Table 3.7.



Separate measures, each on its own scale: they are not one series and do not add up to a single score

CODING	COMPUTER USE	COST	FINANCIAL MODELS
4.4% to 71.7%	**about 5% to 66.3%**	**US$20 to US$0.07**	**77.38% and 34.89%**
problems solved, 2023 to 2024 (SWE-bench, published frontier results)	of desktop tasks, 2024 to 2025 (OSWorld; people score 72.35%)	per million tokens at a fixed level, Nov 2022 to Oct 2024: over 280 times	best scores, model building (Nov 2026) and full workflows (Jun 2026)

Three clocks: machine capability runs fast; institutional adaptation runs slower; investment performance slower still

SOURCE METR, Time horizon 1.1, 29 January 2026. Stanford HAI, AI Index Report 2025 and 2026. Vals AI, Excel Modeling Benchmark v1.1, 11 November 2026. SpreadsheetBench 2, arXiv 2606.29955, June 2026. Continuation and propositions: Odit Frontier Partners.

Table 3.8 TESTING THE AI DATES IN TABLE 3.7: WHAT SUPPORTS THEM, WHAT THEY ASSUME, AND WHAT WOULD CONFIRM OR UNDO THEM

NOTE The dates remain OFP's foresight propositions. The evidence column is measured; the other columns are this note's reading of what the propositions require.

Date and marker	Evidence that makes it plausible	What it assumes	What would confirm it	What would delay or undo it
Mid-2027 to 2028 Forces 01, 04 and 08B AI-built operating models outcompete those that are not	Task length doubling every four to seven months; coding and computer-use scores rising steeply; cost at a fixed capability down more than 280 times	Growth continues; gains carry over from software tasks to investment research, modelling, monitoring and reporting; error rates fall to what investors accept	AI-built workflows showing repeatable cost, speed and accuracy advantages at institutional standard; fund managers reporting lower cost per deal or per portfolio company; end-to-end spreadsheet and model scores reaching the reliability investors require	Capability growth slows; errors persist, so full human review stays and absorbs the saving; investors or regulators require human sign-off; productivity studies keep finding no net gain
2028 to 2031 Force 04 AI-native equity entrants become serious challengers	The technical cost of building an investment institution is falling for the same reasons	Entrants combine their technical architecture with investment judgement, governance and capital raising; investors accept a shorter record because incumbents have weakened (Figure 3.6)	An AI-native fund manager raising a fund from institutional investors; distributions or realised returns from one; commitments from development finance institutions or pension funds	Investors keep requiring a long realised record; early AI-native vehicles underperform or fail; governance or regulatory failures; incumbents adopt quickly enough to close the gap

SOURCE Odit Frontier Partners, drawing on the sources for Figure 3.8 and METR, early-2025 AI and experienced open-source developer productivity, 10 July 2025.

Between a capable machine and a cheaper fund manager there are four further steps, and only the first is measured. Longer and more reliable tasks make more research, modelling, coding, monitoring and reporting technically feasible; that is measured, though on general tasks rather than investment work. Feasibility could lower the cost of each verified unit of analytical work; that is proposed, and no measurement for African fund managers was identified. Lower cost lets AI-built institutions try different ways of producing the work; that is proposed. And different production puts pressure on fees, cost bases and what distinguishes one fund manager from another; that is Force 01's proposition. Technical feasibility does not by itself lower African fees, and a better AI system does not by itself raise a better fund.

The dates sit where the three clocks of Section 4 diverge. Machine capability is part of the speed of the terrain, and it is running fast. Institutional adaptation runs slower, and the investment-performance record that investors judge runs slower still. The danger to the fund manager does not require machines to be perfect by 2027. It requires the economics of certain investment functions to change faster than the fund manager can change its cost base and operating model. Forces 01 and 04 set out the full argument.

A shock does not create a force, but it can speed several at once. A currency collapse, a credit downturn or a sovereign debt crisis would test the liquidity promise (Force 05), could briefly restore equity's place against credit (Force 09), and would shorten every fund's runway. The cedi's swing in 2025 and 2026, set out in Force 07, shows how fast a currency can move.

It is also why the 2026 recovery does not settle the matter, because none of the nine is relieved by any of it. A faster close on a smaller fund does not answer why the fee is what it is. A record quarter of exits does not tell an allocator what a manager distributed. Nigerian pension funds anchoring a naira private debt series does not change the conversion economics of the vehicle receiving the money. Improving conditions make the nine questions easier to postpone, not easier to answer.

The register shows the exit end of the cycle as unreliable in 2026: routes announced are not always routes completed. Table 3.9 counts announcements against completions in the register, and Table 3.10 sets out cases from the record.[188]

Table 3.9 THE EXIT AND FUNDRAISING END OF THE CYCLE IN THE REGISTER: ANNOUNCEMENTS AGAINST COMPLETIONS

NOTE An announcement may still close later; these are not failure rates. Status is as recorded at the date of each source.

Measure	Count
Africa-focused fund records at launched or seeking stage	44
Africa-focused fund records at final close	23
Of these, dated 7 September to 14 November 2026: launched or seeking	27
Of these, dated 7 September to 14 November 2026: final close	7
Africa deals with no amount disclosed	361 of 688 52%

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

188 OFP LinkedIn Intelligence Register, read as at 14 November 2026.

Table 3.10 CASES FROM THE RECORD AT THE EXIT END OF THE CYCLE: AT WORK AND LIMITS

NOTE A selection made for this note to illustrate the force; entries are chosen, not exhaustive, and records left out are not thereby absent from the register.

Case	Date	What the record shows	What it shows here	Source
At work: Dangote Cement shelves its London listing	11 Nov 2026	A planned London Stock Exchange listing and prospective US$1bn share sale shelved, citing market volatility. Trading continues only on the Nigerian Exchange.	The same week as the Dangote Refinery offer: the listing route is open and unreliable at once.	Shore Africa, via LinkedIn.
At work: OPay files for a US listing, then abandons it	Oct to Nov 2026	OPay filed its Form F-1 with the US SEC on 9 October 2026, with approval for a secondary Nigerian listing. A later report states the planned US$304m US IPO was abandoned following a regulatory inquiry.	An exit route announced and withdrawn within weeks.	Deals and Advisory Report and Business Tech Africa, via LinkedIn.
Limits: Airtel Money Africa IPO planned for the second half of 2026	Aug 2026	Airtel Africa selected the London Stock Exchange for an IPO. Media estimates, unconfirmed by the company, value Airtel Money at about US$10bn and put the raise at US$1.5bn to US$2bn.	Announced; not recorded as completed in the register as at 14 November 2026.	Africa Investor Review, via LinkedIn.
Limits: Omnia take-private proposal	21 Sept 2026	Solar Group proposed to acquire Omnia Holdings for ZAR 21.8bn, about US$1.34bn, in cash, which would delist it from the JSE and A2X. Proposed and subject to regulatory conditions.	A delisting, not a listing, as the large-ticket exit route.	AVCA member news.

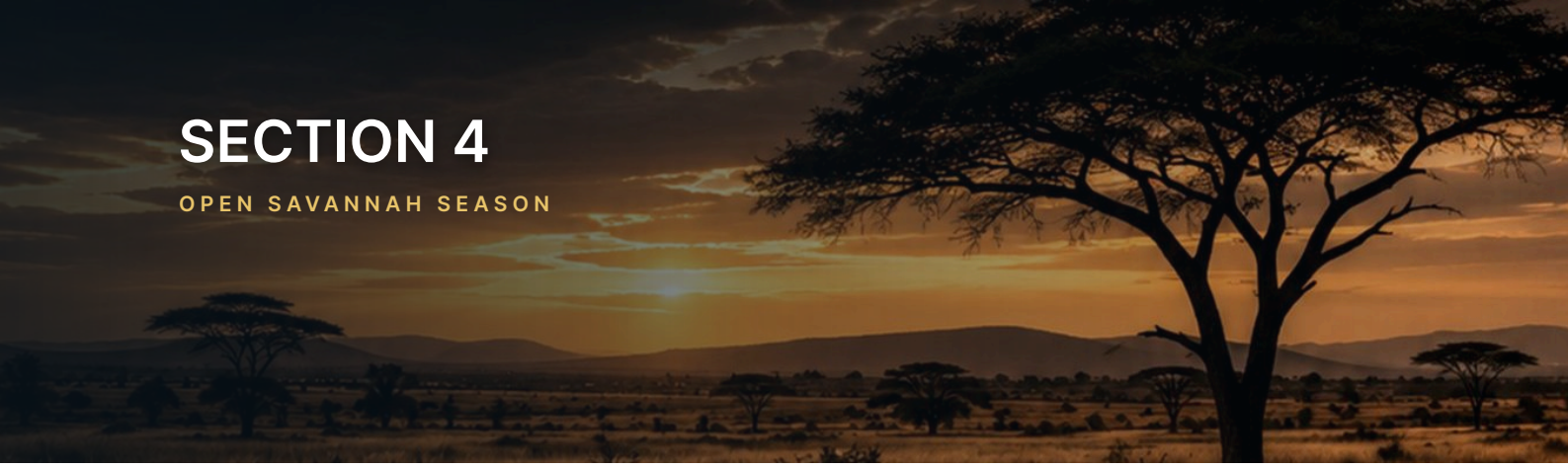
SOURCE As listed in the Source column of the table.

IMPORTANT CAVEAT

Convergence is this note's proposition, built on documented parts. Each force begins in documented evidence, and most pass into the market in documented evidence; where they reach the fund manager, and above all where they meet at the next fundraise, the argument is this note's. The sort, the ladder, the limbs and the timetable are frameworks for reading the evidence, not measurements of it.

In short, the forces are not nine equal trends but structural shifts of different depth and speed, and they converge on the moment a fund manager next asks for capital. The fast forces drain the means of response now, the buffer removers take away the time, and the slow forces that attack the core arrive together at the next fundraise. Ten can only be slowed, two swing with government policy, and one, local capital, can be reversed by proof. Section 4 follows each kind of fund to that moment.





SECTION 4

OPEN SAVANNAH SEASON

4 The Neck of the Funnel: Who Meets the Forces, and When

Four paths, one timetable, and the verdict for a fund manager on none of them

A

SECTION 4 · PART 1 OF 5

Three funnels, one timetable: which fund meets the forces, and when

The paths a fund manager can be on, the calendar each path faces, and the verdict for a manager on none of them

The nine forces are easier to describe than to answer, and description is where notes of this kind usually stop. The conventional next move is a list of responses. That move should be resisted, because it carries an assumption the rest of this note has been dismantling: that an institution facing these pressures can select the correct answer from a menu and execute it.

Once enclosure thins, survival stops being a matter of choosing well. It becomes a race between the rate at which the environment changes and the rate at which an institution can change itself, run inside an organisation that is generating its own drag while it runs. A manager can do sensible things, in a sensible order, and still lose fitness, because fitness is relative to a moving environment rather than absolute. That is a harder proposition than a checklist, and it is the one the evidence supports.

The pressures set out in the nine forces are evidenced. The model of institutional response that follows is this note's argument rather than a reported finding, and it is offered as a way of asking the question rather than as a way of answering it.

The forces converge on a fund manager's next fundraise, but that moment falls at a different time for each manager, so there is not one funnel but several. Which funnel a manager is in follows from two facts: when it last closed a fund, and whether it is raising or building now. Table 4.1 sets out the rule, and Figure 4.1 places each path on the calendar of convergence from Section 3.

Table 4.1 WHICH PATH A FUND MANAGER IS ON: WHEN IT LAST CLOSED A FUND, WHAT IT IS DOING NOW, AND WHAT THAT MEANS

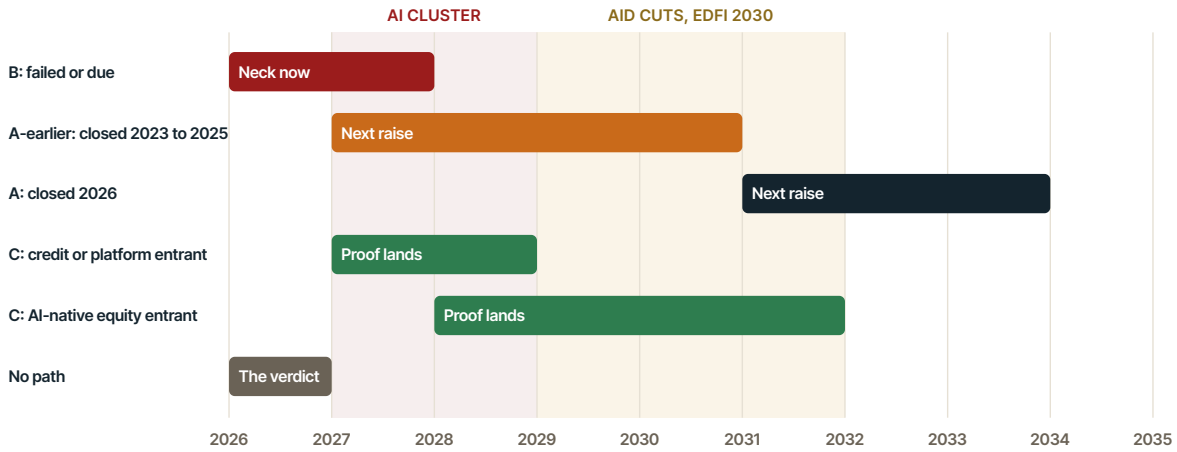
NOTE This note's classification. A vehicle that does not raise in windows, such as a permanent capital vehicle, is treated below.

Last close	Status in 2026	Path	What it means
2026	Closed	**A**	Locked in for about ten years; meets the matured forces at its next fundraise, around 2031 to 2033
2023 to 2025	Not raising	**A-earlier**	The same position as A, but it meets its next fundraise sooner, around 2027 to 2030, with less of its lock-in left
2022 or before	Raising, or raised and failed	**B**	Due for a fundraise now, with old commitments still to finish
Any	Building a new form	**C**	The new creature: a head start, paid for in social and reputational cost
2022 or before	Not raising, not building	**No path**	The verdict: a manager that lives on fundraising but is not fundraising is winding down, whether it says so or not

SOURCE Odit Frontier Partners.

Figure 4.1 THE FUNNELS ON THE CALENDAR: WHEN EACH PATH MEETS ITS NECK, AGAINST THE TWO CLUSTERS OF CONVERGENCE

NOTE The two shaded clusters are from Table 3.7. Next raises are illustrative; entrant dates are OFP's foresight proposition.



Illustrative: next raises assume a ten-year fund raising its successor around years six to eight; entrant dates are OFP's foresight proposition.

SOURCE Odit Frontier Partners.

Each path meets the forces with a different signal, a different number of limbs, and a different amount of freedom to change. Table 4.2 sets the four paths side by side. The parts that follow take each in turn.

Table 4.2 THE FOUR PATHS COMPARED: THE SIGNAL EACH GOT, ITS LIMBS, ITS FREEDOM, WHERE ITS NECK SITS, ITS MAIN DANGER, AND WHAT IS ON THE OTHER SIDE

NOTE This note's proposition, built from Section 3 and from the material in Parts 2 to 5 of this section.

	A: closed 2026	A-earlier: closed 2023 to 2025	B: failed or due	C: building now
The signal it got	False comfort: the market seems to have validated it	The same comfort, wearing off sooner	Early and unwelcome: does this model still work?	No signal yet: it is forming around the holes
Limbs it has	The most: ten years of fees, its team, investors' recent commitment	Fewer each year as its fund ages	The fewest: no new fees, a shrinking team, the loop already running	Few, and of a different kind: no legacy costs, but no record or investor trust
Freedom to change	The least: the fund's terms are fixed for about ten years	A little more as its successor nears	The most in law, limited by old commitments	Total: it designs its form from the start
Where the neck is	Its next fundraise, around 2031 to 2033	Its next fundraise, around 2027 to 2030	Now	First close, then first proof
Its main danger	Deferral: learning too late	Meeting the 2027 to 2028 cluster head-on	Running out of limbs before it can change shape	Running out of time, and of patience, before its proof arrives
What is on the other side	A successor, a change of form at the successor, or winding down	The same	Shrinking, consolidating, an adjacent form, or exit	A new species, if its proof lands inside the entry window

SOURCE Odit Frontier Partners.

Whether a fund that closed in 2026 built the forces into its design cannot be known from public information, so path A divides in two. Fund agreements are private, and some fund managers had good advice and foresight before 2026. A fund that closed on a design that anticipates the forces, path A1, may already have bought itself limbs; a fund that closed on the conventional design, path A2, meets the full funnel. Some design choices show in public announcements even when the agreement does not: a local-currency fund, a credit sleeve beside the equity, a permanent or evergreen structure, a smaller target, a mandate that allows debt, stated use of AI in operations. They are signs of possible design, not proof of it; fee, recycling, extension and governance terms cannot be seen at all.

A vehicle that does not raise in windows is not exempt; it is always at the neck. No capital vehicle escapes fundraising; it only changes the form fundraising takes. An evergreen vehicle needs new subscriptions to meet redemptions every quarter. A permanent capital vehicle needs exits and yield to keep recycling capital, or fresh capital. A vehicle funded from a holding company's or a family's balance sheet answers to a parent that can stop funding it at any review. Even a bank needs depositors' money and yielding assets. For such vehicles the forces are tested continuously, without the buffer of a decade of locked-in fees.

A fund manager on no path is not waiting; it is winding down. A manager that lives on fundraising, has not raised since 2022, and is neither raising nor building a new form has already received its verdict, whether or not it has said so. A manager that has chosen to wind down openly is different: it is on path B by design, not by drift.

B

SECTION 4 · PART 2 OF 5

Why timing decides more than quality: three clocks

The speed of the terrain, the speed of institutional change and the accumulating drag, and why pivots are attempts rather than answers

When the nine pressures converge, three clocks begin running at once, and no institution sets more than one of them.

01 · EXTERNAL CHANGE: THE SPEED OF THE TERRAIN

Production costs, capital routes, operator capability, competing structures, allocator expectations and the minimum size at which a manager is economically viable. The nine forces are nine readings of this clock, taken at one moment.

02 · INTERNAL ADAPTATION: THE SPEED OF INSTITUTIONAL CHANGE

How quickly the institution can alter cost structure, workflow, product, governance, talent, incentives and capital architecture. This clock is set by things that resist scheduling, which is why redesign timetables are systematically optimistic.

03 · INSTITUTIONAL ENTROPY: THE ACCUMULATING DRAG

Legacy economics, sunk cost, internal politics, incentives built for the previous model, organisational memory, and the decline in regenerative capacity as fee income falls and evidence stays thin. Entropy does not oppose adaptation directly. It taxes it, so that each successive unit of change costs more than the last.

SURVIVAL AS A RELATIVE RATE

Set against each other, the three clocks describe states rather than outcomes, and the state an institution occupies is not fixed. Where internal adaptation outruns external change and entropy together, fitness may be restored, and the institution that emerges is a materially different one from the institution that began. Where adaptation roughly matches the environment, the institution may persist, on narrowing margins and with a narrowing claim to relevance, without ever facing a moment of crisis that would force the question. And where external change and entropy together outrun adaptation, the institution may remain visible for a considerable period while ceasing to be economically regenerative. Capital is still committed, salaries are still paid, investments are still made and the institution still appears at conferences. Visibility is not viability.

Force 04 states the asymmetry that makes this a race rather than an assessment. An entrant can build process architecture faster than an incumbent can rebuild it, while an incumbent can hold allocator trust for longer than an entrant can survive without it. Which of those advantages compounds faster is left unresolved there, and it is unresolved because it has no general answer. It resolves differently inside each institution, according to the three clocks, and it can resolve differently for the same institution in successive years.

Table 4.3 sets out, pressure by pressure, what evolution requires and where lag and entropy enter. It is the three clocks applied to the forces.

Table 4.3 THE EVOLUTION MAP: WHERE EACH PRESSURE MEETS LAG AND DRAG

NOTE One row per pressure: what adapting to it requires, and where delay and internal friction get in the way.

Pressure	What evolution requires	Where lag enters	Where entropy enters
Price	Redesign of the production cost base, and pricing of what remains genuinely scarce	Cost structures change at the speed of people and systems rather than at the speed of decisions	Fee income is what funds the rebuild, and the pressure is removing it
Necessity	Identification and construction of the functions operators cannot economically internalise	The threshold moves while the functions are still being identified	Existing relationships, mandates and internal seniority are attached to the historical bundle
Proof	Realised-return and distribution evidence, published in a form an allocator can read	Evidence accumulates over vintages and cannot be produced on demand	A thin or unflattering history is itself a disincentive to become legible
Speed	Redesign of process architecture rather than the layering of tools onto inherited workflow	Redesign is slower than adoption, and far slower than an entrant's build from inception	Incentives, institutional memory and data quality are all attached to the existing process
Liquidity	Redemption promises matched to the liquidity of the underlying assets	Vehicle architecture is fixed at formation and changes between vehicles, not within them	Investor expectations were formed under the previous promise and persist after it
Runway	Demonstrated commercial demand, so the institution is fundable on terms whose principal test is financial	Commercial demand is proved over vintages, while the terms upstream can change in a single budget	The institution was designed around the capital that formed it, and its cost base assumes that capital continues
Local capital	Product rebuilt around domestic denomination, ticket size, liquidity terms and fiduciary constraints	Conversion has to be demonstrated, which requires the proof clock to have already run	The offshore product, and the economics built on it, are institutionally entrenched

SOURCE Odit Frontier Partners.

PIVOTS AND TURNAROUNDS ARE ATTEMPTS, NOT ANSWERS

A pivot is an evolutionary attempt. A turnaround is an evolutionary attempt undertaken on declining reserves. Neither has a predetermined direction, and treating either as a solution mistakes the attempt for its result. Evolution has a cost and a failure rate, and both rise as reserves fall.

Where an attempt falls depends on a small number of conditions, set out in Table 4.4. None of them is the quality of the idea alone.

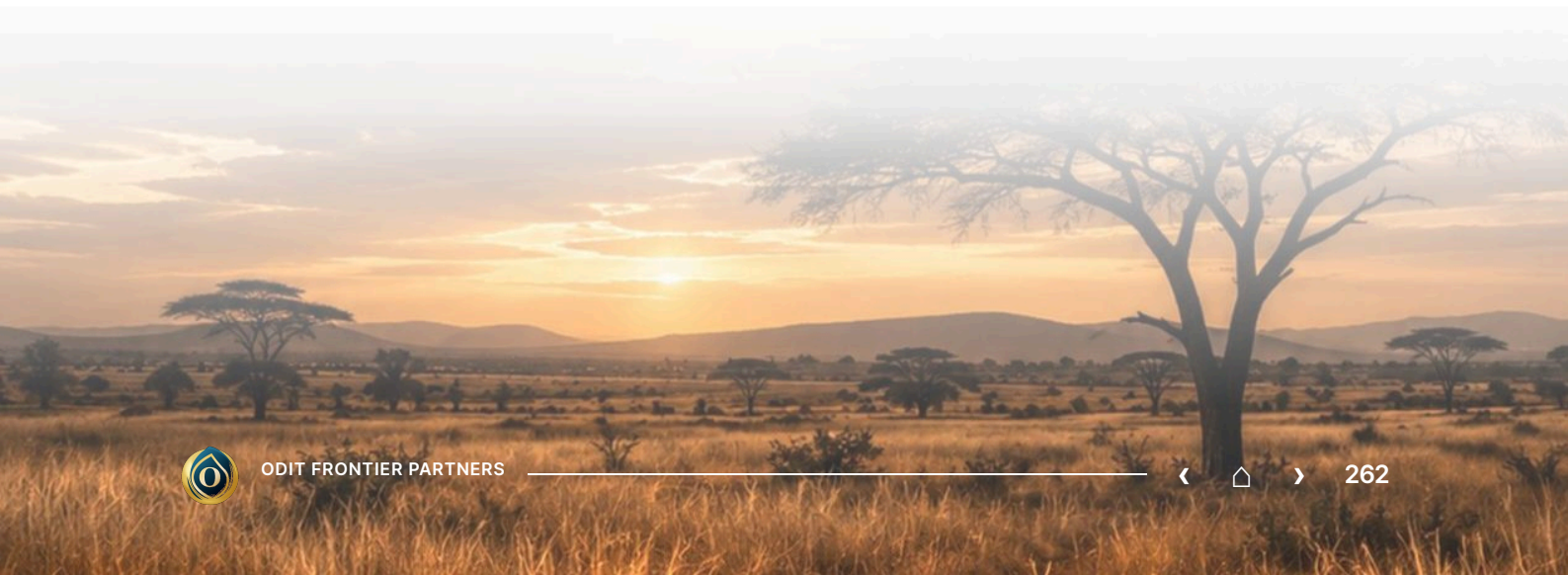


Table 4.4 WHERE AN ATTEMPT TO EVOLVE FALLS, AND WHAT DECIDES IT

NOTE The possible outcomes of an attempt to evolve, with the conditions that decide each. None depends on the quality of the idea alone.

The attempt	What determines where it falls
Early and coherent	Begun while reserves and freedom both remain, and carried through the operating model rather than through the description of it. This is the case in which fitness is restored, and it is the case that requires acting on information the institution does not yet have to act on.
Late	The redesign is correct and arrives after the market has repriced the institution. The new model is right and the capital that would have funded it has already been reallocated.
Partial	The new model is adopted alongside the old one rather than in place of it. The institution carries two architectures and can afford neither, and the old cost base follows it into the new form.
Cosmetic	The label changes and the machine does not. This is the cheapest attempt and the one most likely to be made under pressure, precisely because it is the only one that can be completed quickly.
Destabilising	The attempt consumes the remaining resources faster than the new model can regenerate them. An institution can be ended by the effort to save it, and this outcome is indistinguishable from the first until well after the decision is taken.

SOURCE Odit Frontier Partners.

The structural difficulty is that the forces making evolution necessary are the same forces making it harder. Price pressure reduces the resources available to fund a redesign. Absent proof reduces the allocator patience that would fund it over time. Legacy process slows the redesign itself. Incumbent trust buys time, and can disguise the deterioration it is buying time for. And a change of species can destroy the relationships that funded the previous species, which is a cost that falls due immediately while the benefit accrues slowly.

C

SECTION 4 · PART 3 OF 5

Path A: closed in 2026, locked in, and meeting the matured forces at its next window

Contractual lag, what can still change and where, and what a manager that closed in 2026 meets when its window opens

There is a further asymmetry, and it runs against intuition. A manager that has just closed a conventional ten-year fund may be more structurally constrained than a manager that has failed to close one.

The manager that failed to close receives the question early. Does this model still work? The information is unwelcome, and it arrives while the institution still has the freedom to act on it. Nothing is committed, no deployment schedule is running, and no mandate has been subscribed. ***Two things have to be held apart here, and this note has been careful about the distinction throughout.*** A failure to close is not evidence of structural unfitness, and difficult fundraising conditions are cyclical as often as they are structural. The observation is narrower and concerns information rather than fitness: the feedback arrives at a point when the institution can still respond to it.

The manager that closed receives the opposite signal, and the signal is misleading in a specific way. The market appears to have validated the institution. What it validated, precisely, is the ability to raise capital under the conditions prevailing at the point of close. That is a real achievement, and it is not the same as evidence that the architecture raised is fit for the decade over which the capital must be deployed and realised.

Stated at its sharpest, because the softened version is not worth stating: fundraising failure can accelerate evolution, and fundraising success can defer it. Not invariably, and not as a claim about any individual manager. Structurally, and for the specific reason that a closed vehicle removes the immediate necessity of asking whether the vehicle is the right one. At the moment a fund closes, success and survival stop being the same variable.

That separation is also why a market can misread which institutions are actually in danger. The visibly struggling manager may be adapting, because it has been compelled to. The visibly successful manager may be accumulating lag, because it has not.

A ten-year fund is not a strategy or a reputation. It is contractual architecture, and the architecture is fixed at formation. The ILPA model limited partnership agreement sets a term of ten years from initial closing, extendable by two further single years with advisory committee and then majority investor consent, and a commitment period of five years, extendable by one.[189] On Goodwin's analysis of stated terms, 56% of private equity funds and 72% of venture funds are launched on a ten-year term, and the liquidation process ordinarily runs beyond the original term and its permitted extensions.[190] Within that architecture sit the commitments, the deployment schedule, the investment mandate, the fee arrangements, the governance terms, the reporting obligations, the portfolio construction rules, the exit assumptions and a fiduciary obligation to execute substantially the vehicle that investors subscribed to. Changes to the mandate are not a management decision. They require the investors to agree.

A manager that concludes in year two that the terrain has changed materially therefore cannot become another species in year three. Recognition and the freedom to act on it have been separated, and the separation was produced by success.

> CONTRACTUAL LAG
>
> **Contractual lag is the delay created when long-duration commitments preserve an institutional form after the environment that justified that form has begun to change.**
>
> **Its corollary is that capital runway and evolutionary runway are different quantities and can move in opposite directions.** A manager may hold enough committed capital to operate for years while holding progressively less freedom to alter the architecture through which that capital has to be deployed. The first is a measure of time. The second is a measure of room.

WHAT CAN CHANGE, AND WHERE

It would be wrong to read any of that as saying an incumbent is frozen for a decade, and the note should not be read that way. Long-duration contracts do not prevent evolution. They constrain its speed, its depth and, most importantly, its location. Three locations move at three different speeds.

189 ILPA Model Limited Partnership Agreement, whole-of-fund version, term sheet, July 2020.
190 Goodwin, How long do closed-ended funds last, November 2024.

01 · THE MANAGEMENT COMPANY: CHANGES QUICKLY, AND WITHOUT ANYONE'S CONSENT

Research and screening can be automated, teams reshaped, sourcing systems replaced, monitoring rebuilt, decision workflow redesigned, data infrastructure constructed, portfolio support delivered differently, and adjacent products launched outside the existing fund. Everything in Force 01 and Force 04 that concerns production cost and cycle time can be attempted here.

02 · THE COMMITTED VEHICLE: CHANGES PARTIALLY, AND BY CONSENT

Mandate, geography, sector scope, investment period, concentration limits, leverage, follow-on and recycling rules, fees, governance, reporting, liquidity terms, term, extensions and key-person provisions were negotiated at formation. Amendments are possible with investor or advisory committee approval depending on the agreement and the jurisdiction, and that is a materially different thing from redesigning a vehicle from first principles halfway through its life.

03 · THE NEXT PRODUCT: THE ONLY PLACE SOME CHANGES CAN APPEAR AT ALL

Where the required change is to the shape of the vehicle rather than to the way it is run, the earliest occasion on which it can be expressed is the successor. Everything in Force 05 that concerns liquidity architecture, and much of Force 06 that concerns denomination and ticket size, sits here.

So a manager can evolve considerably faster than the fund it is managing, and the gap between those two speeds is where contractual lag actually lives. It is not an inability to change. It is a mismatch between where change is possible and where change is needed.

That gap produces a specific trap, and it is worth naming because it is the most likely destination for a manager that sees the shift early rather than late. Suppose a manager concludes in year three that the winning form involves smaller teams, different ticket economics, more direct operator financing, a different mix of debt and equity, or a different product altogether. It may well be able to begin building that beside the existing fund. But the existing fund still has to be executed, for years, to the standard its investors are entitled to expect.

The institution is then running two species at once. The legacy contractual machine pays the bills and carries the fiduciary obligation. The emerging machine is the one management believes in. Between them sit duplicated cost, governance complexity, a talent pool divided between the model that funds the firm and the model that interests it, and incentive structures that reward the wrong half. Partial adaptation, in the outcome states set out below, is usually not a failure of conviction. It is what running two species looks like from the inside.

Ten years is an extraordinary period measured against the trajectories this note has tracked. On the evidence in Force 01, production costs will not resemble those of 2026. On the evidence in Force 02, the threshold at which an operating company reaches institutional capital directly is already descending, and nothing in the record suggests it settles at its present level. On the evidence in Force 03, allocator expectations around disclosure are the subject of active industry and regulatory work. On the evidence in Force 04, process architecture designed from inception diverges from inherited workflow at a rate that compounds. On the evidence in Force 05, the relative standing of closed-end, evergreen and credit structures is unsettled and is being tested now. And the minimum economically viable size of an investment manager is itself a function of production cost, which is the variable moving fastest of all. A vehicle formed in 2026 will be deploying and realising into a market shaped by every one of them.

None of this amounts to immunity, and none of it is a prediction of failure. A closed vehicle is not insulated from feedback. Portfolio companies, co-investors, advisory committees, the transaction market and the eventual successor raise all continue to send signals, and a manager that is listening will hear

them. What long-duration capital delays is the point at which the institution is compelled to act on what it hears.

The reckoning is the successor vehicle. A ten-year fund can keep an institution operating; it cannot make allocators in the 2030s want another vehicle built on the assumptions of 2026. And the evidence on which that successor will be judged is being generated now, by the vehicle currently being executed. Whether it is being generated in a form an allocator can actually read is the question Force 03 leaves open, and it is a question about the present rather than the future.

THE DISPLACEMENT

The cost of that delay is clearest when the same nine questions are asked twice, at two points in the life of a single vehicle: once at formation, and once at the window in which the successor has to be raised.

The first column is the documented position at formation, drawn from the nine forces above. The second is a scenario and not a forecast. It sets out what the trajectories in this note would imply if they continued, in conditional terms throughout, and it should be read as a statement about direction rather than about any particular year. Nothing here is knowledge about the 2030s. The purpose is to show what contractual lag would cost if the direction is broadly right.

Table 4.5 asks the same nine questions at formation and at the successor window. The right-hand column is the lag that would result.

Table 4.5 TIME DISPLACEMENT: THE SAME NINE QUESTIONS, ASKED EIGHT YEARS APART

NOTE The same nine questions asked of a fund at formation and again when it raises its successor. Scenario, not forecast, written in conditional terms.

Axis	At formation, 2026 to 2028	At the successor window, year six to eight	The lag that would result
Price	Human-heavy investment production remains normal, adoption of machine labour is uneven, and conventional fee structures are still recognisable	Machine labour may have substantially reduced the marginal cost of research, screening, diligence, monitoring and reporting	The manager arrives asking successor investors to fund a cost structure calibrated to an earlier production technology
Necessity	Direct operator financing is visible and concentrated above a size threshold; pooled vehicles remain the dominant channel beneath it	More operators may hold their own finance, analytics, syndication and investor-relations capability, and the direct route may extend further down the size distribution	The fund discovers that part of the bundle it was created to supply has migrated to the client it was created to serve
Proof	Activity metrics dominate public African reporting and the realised-return plumbing is thin	Allocators may expect fund-level cash-return legibility, comparable benchmarking and machinereadable evidence as a condition of entry	An account of what was invested, exited and achieved no longer clears the evidentiary threshold for a new commitment
Speed	Machine-native manager architecture is visible outside Africa, immature, and scarcely documented on the continent	Institutions formed in the intervening years may have several operating generations of that architecture behind them	The incumbent is not competing against a better tool. It is competing against institutions whose workflow was never built around manual constraints

Axis	At formation, 2026 to 2028	At the successor window, year six to eight	The lag that would result
Liquidity	Closed-end structures are familiar, evergreen and credit experimentation is growing, and liquidity terms are being tested in developed markets	Capital products may have differentiated much more sharply according to the actual cash-flow and liquidity characteristics of the assets	A vehicle that looked standard at formation may look unnecessarily rigid, while a late semi-liquid conversion may look structurally naive
Runway	Development-mandated capital supplies a majority of commitments and underwrites institutional patience	That capital may be scarcer, more concentrated and conditioned on mobilising commercial money alongside it	An institution formed on supported capital reaches its successor raise having to prove commercial demand it never had to prove before
Reason for capital	Institutional familiarity, development finance relationships and category legitimacy carry real weight; domestic participation is developing	Allocators may hold a wider menu: direct operators, private credit, machine-native managers, syndicates, listed instruments and hybrid structures	Being an established African private equity manager becomes biography rather than an investment case
The contractual asymmetry	Maximum freedom to change the institution, minimum information about what will need changing	Maximum information about what changed, with much of the architecture already contracted, deployed and institutionally embedded	Freedom and knowledge arrive at opposite ends of the same vehicle's life

SOURCE Odit Frontier Partners.

That last row is the paradox, and it is structural rather than a matter of management quality. Freedom is greatest before the manager knows what it will need to change. Knowledge is greatest after much of the architecture has become expensive to change. No amount of diligence at formation closes the gap, because the information does not exist yet.

Which is why a manager closing in this window that waits until year six to ask what the successor should look like is asking far too late. Six years of unmade adaptation cannot be compressed into a single fundraising cycle. The successor raise would then become the first occasion on which the market compels the institution to answer questions that should have been worked through during the current fund, and the questions themselves may have changed by then. Not whether the next fund can be raised, whether sourcing can be improved, or whether fees can come down, but why the vehicle is still structured this way, why this intermediation layer still exists, why the operating model is this slow, why the evidence architecture is this thin, and why an allocator should lock capital here rather than route it through a different structure entirely.

This produces a divergence worth stating directly, because it governs when any of this becomes visible. An institution's underlying trajectory, the market's recognition of that trajectory, and the flow of capital toward it run on separate clocks. An institution can move onto a declining trajectory while belief, relationships and reputation lag behind it, in which case it looks healthier than it is. The reverse is equally possible, and less remarked on: an institution can begin evolving well before the market notices, in which case it looks weaker than it is and is priced accordingly. Both gaps close in the end. Neither closes on a schedule, and the length of the gap is what makes the timing of an evolutionary attempt consequential rather than merely important.

It follows that the visible casualties are not necessarily the most structurally endangered. Some managers failing to raise today will disappear, and some will shrink, pivot, migrate or rebuild quickly, precisely because they were forced to ask the question while they still had room to answer it. Some

WHAT PATH A MEETS WHEN ITS WINDOW OPENS

A fund that closed in 2026 is safe in its present strategy and exposed at the moment that matters: its next fundraise opens after both clusters of convergence have passed. Its lock-in protects it while the forces mature outside. When its window opens, around 2031 to 2033, it steps into all of them at once: proof and the AI-native entrant arrived, the runway and the fallback gone, and new forms grown up with records of their own. A path A fund holding software is hit twice: its portfolio loses value now, as AI advances (Sub-force 08B), and its next fundraise lands after the 2027 to 2028 cluster. The box below and Table 4.6 describe the forms it may meet.

YEAR SIX

When the Next Raise Begins

An illustrative scenario for a manager that closes a conventional fund between 2026 and 2028 and returns to market around year six. It is a description of forms that the trajectories in this note could produce, not a claim that they will exist or that they will succeed.

By then the manager may not be facing a familiar peer set at all. It may find:

- very small machine-native managers running on three or four people and a heavy operating system;
- operators raising directly from development finance institutions, banks, strategic investors and institutions without a fund in the middle;
- specialist credit and hybrid vehicles designed around actual cash-flow patterns rather than around inherited fund categories;
- syndication platforms that assemble capital around a single transaction without reproducing the economics of a whole fund;
- permanent and semi-permanent capital structures competing on flexibility rather than on the ten-year cycle;
- machine-native diligence and monitoring providers that make entire layers of analyst labour look expensive;
- evidence standards under which allocators expect realised-return data and accept far less narrative in its place;

small, strange institutions that were not visible competitors at formation because they did not yet exist in any recognisable form.

The unsettling point is not that every one of these organisms succeeds. Most will not. It is that the manager may arrive at its successor window expecting to compete with other funds, and find that parts of the market have reorganised around entities that do not resemble funds at all.

The year-six collision

Trust, a track record, allocator relationships, portfolio history, licences, institutional memory, and contractual capital already committed and deployed.

Lower cost, faster architecture, fewer inherited processes, different capital products, direct operator access, and no obligation to preserve the institutional form that existed in 2026.

So the contest is not incumbent manager against emerging manager. It is accumulated trust against accumulated architectural lag, and the most dangerous competitor may be the one the manager would not have recognised as a competitor when the current fund was raised. Selection produces forms the previous taxonomy had no category for.

Table 4.6 FIELD GUIDE: THE FORMS A MANAGER MAY MEET AT ITS NEXT FUNDRAISE, AND WHAT KEEPS THEM ALIVE

NOTE A classification proposed by this note; specimens are reported from this note's register. Strengths and risks describe the class, not the named specimens.

Class	What it is	How it feeds	Why the class is hard to dislodge	What could still stop this class	Specimens on record
1 Machine-native micromanager	Three or four people running an investment operating system built around machine labour from the start.	Management fee on a small fund, and carry.	Costs low enough to live on the fee of a fund too small to keep a conventional team.	No track record, and allocators who weight one heavily: Force 03 records 45% of first-time and emerging managers failing to reach a first close.	Outside Africa: Brainworks Ventures, Moonfire, SignalFire, InReach Ventures. In Africa, only one function so far: Oui Capital applies AI to sourcing, screening and diligence.
2 Selffinancing operator	An operating company that assembles its own syndicate of lenders and investors without a fund in the middle.	No fee layer: it is the borrower or issuer.	Owns its relationships, its data and its arranger mandates.	Concentration in one company, and the route works only above a size threshold.	Dangote Petroleum Refinery, ETG, WIOCC Group, Moove and the other cases in the Force 02 table.

Class	What it is	How it feeds	Why the class is hard to dislodge	What could still stop this class	Specimens on record
3 Cashflow credit vehicle	Specialist and hybrid credit shaped around how borrowers actually earn.	Interest and fees.	Repaid from cash flow rather than exits, so it does not wait on the exit market.	A redemption promise it cannot meet (Force 05), and currency mismatch.	Lendable MSME Fintech Credit Fund II, closed at US$255m. AHL Africa Credit Fund, US$45.5m raised. Creation Yield Fund, a listed private credit note targeting R3bn.
4 Deal-by-deal assembler	A platform that gathers capital around a single transaction or pool of receivables, or matches companies with funders.	Arrangement, structuring or platform fees per transaction.	No blind pool to raise: it raises only when the deal exists.	A thin pipeline, and fees that stop when deals stop.	African Frontier Capital's RAMP warehouse, a securitisation platform for several originators targeting up to US$125m. SunCulture's US$10m receivables securitisation with Mirova. KUMii.Africa, an AI platform matching startups and small firms with funders.
5 Permanent-capital holder	A vehicle with no end date that holds assets for as long as they earn.	Returns on a permanent capital base.	No fundraising cycle and no forced exit date.	Investors who want their money back and have no exit except a sale or a listing.	Zafiri, a US$176m blended permanent-capital vehicle managed by Inspired Evolution.
6 Machine-native service provider	A business selling diligence, monitoring, market intelligence or the investment machinery itself to whoever invests.	Subscriptions and service fees.	Sells to every side, so it earns whichever form wins.	Commoditisation as general-purpose AI improves, and confidentiality limits on investor data.	Native, which bought Frontline Research Group's panels in more than 14 African markets. Reuben AI, Samcio, VCOS.
7 Studiofund hybrid	A venture studio or builder that creates companies and invests in them.	Service and building fees, plus equity.	Several sources of income, so it does not depend on carry alone.	Thin capital, key people, and service work crowding out investing.	Delta40, US$20m final close from 54 investors. OneBio, US$5.9m first close. Persistent, US$52m first close for its climate venture builder fund. Madica, a structured pre-seed programme.
8 Balancesheet investor	A corporate or asset-management group investing its own money through a venture arm.	The parent's balance sheet and strategic returns.	No outside investors to raise from.	A change in the parent's priorities, or a downturn that pulls the money back.	Kenafric Ventures, a US$10m corporate venture fund of Kenafric Industries. Sygnia, putting some of its own capital into its fund for South African AI startups.

SOURCE OFP LinkedIn Intelligence Register, read as at 14 November 2026.

D

SECTION 4 · PART 4 OF 5

Paths A-earlier and B: the neck arrives sooner, with fewer limbs

Cohort exposure, the position of a manager that failed or is due to raise, and exits as the valve every path depends on

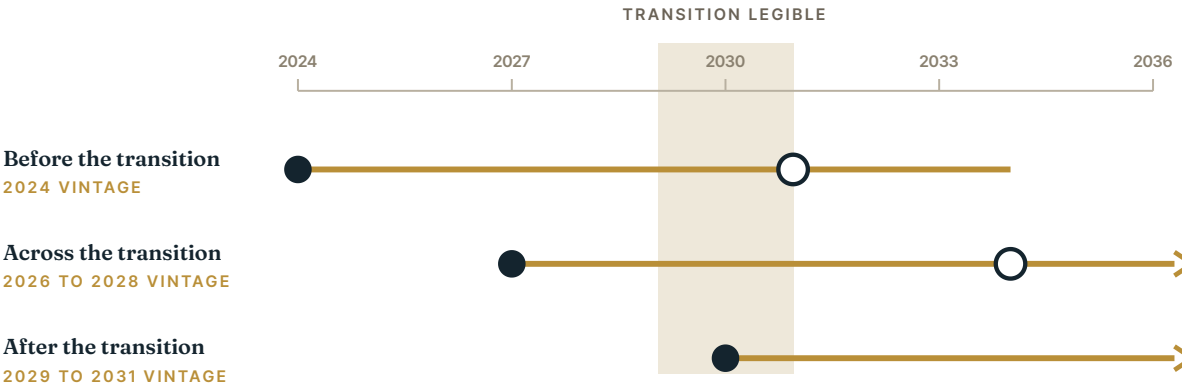
If the direction holds, formation vintage becomes a variable in its own right, and it operates largely independently of manager quality. The sequence runs from formation vintage, to contractual rigidity, to the width of the adaptation window, to exposure to whatever institutional form is assembling next.

Figure 4.2 sets out three formation vintages and the exposure of each. It is a scenario, not a measurement.

The bands that follow are a scenario built on the trajectories above and are illustrative rather than precise. They are a way of seeing how timing interacts with contractual architecture, not a schedule.

Figure 4.2 COHORT EXPOSURE: THREE FORMATION VINTAGES AND THEIR STRUCTURAL EXPOSURE

NOTE A scenario built on the trajectories in this note; illustrative rather than precise.



FILLED NODE FORMATION · GOLD LINE VEHICLE LIFE · OPEN NODE SUCCESSOR RAISE · BAND ILLUSTRATIVE

SOURCE Odit Frontier Partners.

The earlier vintage is ambiguous, and possibly advantaged. A vehicle formed before the transition became legible reaches its harvest period and its successor window roughly as the transition arrives. If it deploys and realises reasonably promptly, and begins designing the successor before the current cycle is exhausted, it can meet the newer cohort holding a set of things the newer cohort does not have: a track record, licences, allocator relationships, institutional memory and accumulated judgement. That window is real and it is not wide, and it closes by being ignored rather than by being contested.

The middle vintage carries the highest structural exposure. It raises early enough to lock in the current architecture and late enough that the environment may move through several structural generations during the life of the vehicle. This is where contractual lag would bite hardest, and it is worth being exact about what the claim is and is not. These are not necessarily the weakest managers, and some may be among the strongest. The exposure is a function of timing rather than of quality, which is precisely what makes it structural and precisely what makes it hard to see from the inside.

There is one further reason the middle vintage's exposure may be understated. Its successor-raise competition may not consist of younger versions of itself. On the trajectory in Force 04, an institution formed in the later window need not resemble a conventional manager at all. It may be a very small team running a machine-heavy investment system, a permanent-capital or hybrid vehicle, a business combining advisory, direct investment and capital syndication, or a specialist financing the operators that conventional funds cannot economically serve, on a fee architecture that does not resemble the present one. Competing with a different species is a different problem from competing with a newer instance of your own, and it is not solved by doing the familiar things better.

The middle vintage is path A-earlier: managers that closed between 2023 and 2025 meet their next fundraise inside the 2027 to 2028 cluster. They carry path A's lock-in without its length of runway. Their next raise falls as the AI cluster arrives and as credit and platform entrants prove themselves.

PATH B: FAILED, OR DUE TO RAISE

A manager that failed to raise in the window closing in 2026 has more freedom than one that closed, but less money, less bandwidth, and old commitments that come first. Its position differs by structure, as Table 4.7 sets out. A fixed-life fund whose manager has been in market for two years is typically in year eight to ten of its life, with a residual wind-down still to come, so starting fresh after closing out may be years away; building the next thing now means doing it alongside the old fund. A perpetual vehicle has no end date to reach, so there is no point at which the old obligations end on their own.

Table 4.7 PATH B BY STRUCTURE: WHERE A MANAGER THAT FAILED TO RAISE STANDS, WHAT IT STILL OWES, AND ITS THREE ROUTES

> **NOTE** Year 8 to 10 is illustrative, for a fund raised on a ten-year life whose manager began raising its successor around years six to eight.

	Fixed-life fund	Perpetual or evergreen vehicle
Where it stands	Typically in year 8 to 10, with residual wind-down to come	No maturity date; no new money
Its obligations	Harvest the portfolio, report to investors, carry its duties until the fund is wound up	Keep running the portfolio and any liquidity promise without fresh subscriptions
Route 1: wind down, then start fresh	Sequential: the new thing waits until the old fund is closed out	Less of a route: no end date arrives on its own
Route 2: build the next thing now	In parallel, with money and bandwidth it does not have	The same constraint
Route 3: hand the legacy on	A GP-led secondary or a continuation fund	A sale of the vehicle or its portfolio, or a merger

SOURCE Odit Frontier Partners.

Three questions decide path B, and the third is the one most often missed. Bandwidth: who is left to run the old fund and build the new one, with no new fee income? Money: what pays for the build, when fees on a late-life fund are shrinking? Mindset: does the manager still believe it is in the paddock, reading a failed raise as a bad cycle rather than a changed savannah? Section 3 shows why that reading is tempting: the 2026 recovery makes the questions easier to postpone, not easier to answer.

EXITS: THE VALVE EVERY PATH DEPENDS ON

Every path depends on cash coming back, so the reliability of exits shapes every funnel. Path A needs distributions to raise its next fund, path B needs them to clear its legacy, path C needs them as proof, and local capital needs them to fill its ledger. Section 3 shows listing routes opening and closing within weeks in 2026. Secondary sales and continuation funds are an exit that does not depend on a listing: in May 2026

Sango Capital acquired more than US$120m of net asset value across four Africa-focused funds from an institutional investor rebalancing its portfolio, with commercial investors, including some allocating to Africa for the first time, among its backers.[191] A deeper secondary market would widen the valve for paths A and B alike.

E

SECTION 4 · PART 5 OF 5

Path C, and what the market selects for

The new creature's head start and its costs, when it becomes a fatal challenger, the buffers each institution carries, and the states an institution can end in

The later vintage is formed after the exposure. An institution formed once a structural transition has become visible can design around the conditions rather than retrofit around them. It can observe what survived the transition and build accordingly, without first having to undo anything.

That last advantage is worth naming precisely, because the loose version of it is wrong. Call it the **post-exposure formation advantage**: an institution formed after a structural transition becomes visible can design around conditions that an incumbent has to retrofit around. It is an advantage in architecture and in nothing else. It is not a claim that later managers outperform earlier ones. A later cohort begins with no track record, no realised evidence, no licences and no allocator relationships, and Force 03 sets out how heavily allocators weight exactly those things. What the advantage removes is the cost of undoing a design. That is a real cost, and it is not the only cost that matters.

The head start is real, but it is paid for, and mostly not in money. Table 4.8 sets out what foresight costs a new creature built in 2026 and 2027. Its neck is not only its first close and its first proof; it is surviving the period of looking wrong long enough for the forces to mature and make it look right.

Table 4.8 WHAT FORESIGHT COSTS THE NEW CREATURE

NOTE This note's proposition.

Cost	What it looks like
Reputational	Looking wrong before being proved right: a manager building for the open savannah while the market still reads as paddock is easy to dismiss as eccentric or unproven
Social	Standing outside the networks and peer circles that run on the conventional model, and that shape introductions and co-investment
Template friction	Due-diligence questionnaires, fund agreement templates and benchmarks are built for the old form, so a new creature fails boxes it was designed not to fit
Funding	Few investors back an unproven form; Section 6 sets out why early failure is a funding failure
Time	Its proof arrives on its own clock, while the cost of looking wrong is paid every day until then

SOURCE Odit Frontier Partners.

When a new creature becomes a fatal challenger depends on what it sells, because AI shortens its build but not equally its proof. Table 4.9 sets out the three kinds. Credit and platform entrants prove themselves through yield and repayment within a year or two; AI-native equity entrants must wait for exits, though the entrant's loop in Section 3 shortens that wait as incumbents weaken.

191 Africa Global Funds, Sango Capital closes US$120m secondary transaction, 12 May 2026.

Table 4.9 WHEN EACH KIND OF NEW CREATURE BECOMES A FATAL CHALLENGER, COUNTING FROM 2026

NOTE OFP's foresight proposition; Force 04 records that proof time has not been measured.

Kind of entrant	Its proof	When it becomes fatal
Credit or platform entrant	Yield and repayment, visible within a year or two	2027 to 2028
AI-native equity entrant	Cash returned on exits	2028 to 2031: three to five years of building from 2026, compressed by AI and by the entrant's loop
Incumbent that rebuilt itself (path A1 or B)	An existing record, now on a new machine	Whenever its next fund closes

SOURCE Odit Frontier Partners.

CAPACITY

Same Storm, Different Sea Walls

Most of the nine forces are not uniquely African. Cost compression from machine labour, changing allocator behaviour, direct operator financing, alternative liquidity structures and new institutional forms are reshaping private markets globally, and a note presenting them as a regional affliction would be wrong about the mechanism. What differs between institutions is not the pressure. It is how much shock each can absorb while answering it.

A large diversified manager can meet the same pressure and keep the existing machine running while building the next one beside it: funding technology, hiring specialists, launching adjacent products, absorbing duplication, tolerating failed experiments and carrying several years of transition without threatening the institution. That parallel build is not free. It requires surplus capital, management attention, talent, technology budgets, distribution, regulatory infrastructure, and enough recurring revenue to finance the old architecture and the emerging one at the same time.

A smaller manager may face identical pressure with an entirely different choice set. The resources required to build the replacement may be the resources currently keeping the institution alive. Hiring the team that builds the future may mean reducing the team running the present. Carrying two operating models at once may simply be unaffordable, so the transition has to be made sequentially, replacing parts of the machine while still depending on them.

Shock-absorption capacity

The financial, organisational and strategic surplus an institution can spend responding to structural change without immediately threatening the operations that sustain it.

Buffers do not make any of the nine forces disappear. Scale, diversified fee income, balance-sheet strength, multiple strategies, deep allocator relationships, proprietary data and the ability to spread transition cost across a larger organisation change only how long an institution has in which to answer them, which is nonetheless a substantial thing to change. Each force lands differently behind different buffers. Margin compression can be financed. A narrowing intermediary case can be answered by migrating capital into an adjacent strategy. The demand for proof can be met more slowly by an institution with decades of relationships. A parallel technology rebuild can be attempted instead of an immediate replacement. Liquidity pressure can be absorbed across several capital pools. And a search for capital can run across a wider allocator universe.

> **So the same failed experiment consumes a budget at one institution and the remaining evolutionary runway at another.** For a well-capitalised institution, structural pressure is largely an evolution problem. For a thinly capitalised specialist, the same pressure can become an existence problem, and the difference is not necessarily managerial quality. It is the size of the sea wall. The storm is shared; the protection is not. Exposure determines how hard the wave hits. Shock-absorption capacity determines how long the institution has in which to learn to swim.

Table 4.10 sets the same pressure behind different buffers, by type of institution. It shows why the same failed experiment ends one institution and costs another only a budget line.

Table 4.10 POSITION IN THE TRANSITION: THE SAME PRESSURE BEHIND DIFFERENT BUFFERS

NOTE Types of institution facing the same pressure, with the buffer each holds. The likely positions are this note's proposition.

Institutional type	Structural advantage	Structural weakness	Likely position
Large diversified managers	Scale, diversified revenue, technology budgets, deep allocator relationships, regulatory infrastructure, and the capacity to fund a parallel build	Legacy complexity remains high, and adaptation can still be slow and internally contested	Potentially advantaged through shock absorption: large enough to carry the old and the new architecture at once
Machine-native entrants	No inherited architecture, low fixed cost, native design, and freedom to choose product, fee model and capital structure from inception	No track record, limited trust, weaker licences and allocator relationships, and high mortality among entrants generally	Potentially advantaged through formation: new enough to design directly for the post-exposure environment
Conventional specialist managers	Existing relationships, some track record, institutional credibility and operating experience	Often too small to finance a parallel evolution, yet too embedded in inherited architecture to move like a new entrant	The squeeze position: too established to be frictionless, too small to buy much adaptation time
Managers already under strain	May retain relationships, residual mandates or specialist knowledge	Thin reserves, limited follow-on capital, and little room for an experiment that does not work	Highest structural exposure: adaptation may consume the resources required to remain operational
Managers whose raise did not complete	The design space has reopened before long-duration lock-in, and the market feedback is unusually good	Capital scarcity, lost momentum, and an uncertain ability to rebuild	Ambiguous and possibly advantaged: difficult feedback arrives while redesign is still possible

SOURCE Odit Frontier Partners.

What follows is a proposition about position rather than a verdict about institutions. The barbell this suggests is not simply large against small. It is institutions large enough to absorb the transition at one end and institutions new enough not to have inherited it at the other, with the conventional middle carrying the greatest architectural squeeze. The middle is a position and not a prognosis, and the vintage evidence above cuts straight across it: a manager in that band with contractual freedom remaining is in a materially different situation from one without.

It is also worth holding this beside the formation evidence, because the two point in opposite directions and both are true. Starting small and starting sponsored are the two things that demonstrably improve the odds of reaching viable size. Scale is what improves the odds of surviving a transition once formed. Those are different moments in an institution's life, and sponsorship is arguably the mechanism by which an institution too small to build a sea wall of its own borrows one.

Not everything favours the forces: several tailwinds help particular paths, and naming them shows who can use them. Table 4.11 sets them out. None reverses a force; each widens a path.

Table 4.11 TAILWINDS, AND THE PATHS THEY HELP

NOTE Drawn from evidence in Section 2; not a complete list.

Tailwind	What it is	The path it helps
Wider pension limits	Nigeria raised the generalist private equity limit to 10% and infrastructure to 20% (Force 07)	B and C, if they can show proof; A at its next raise
Local-currency funds	Naira, cedi and blended-currency vehicles closed in 2026 (Forces 07 and 08A)	C, and B changing form
Secondaries and continuation funds	A secondary market forming for African fund stakes	A and B: an exit that does not need a listing
Minerals and energy demand	AI and the energy transition pulling capital into minerals (Sub-force 08C)	Funds that can co-invest beside lenders or serve the value chain
Small teams made capable by AI	AI lowers the cost of running a fund (Force 01)	C, and A1 or B if they rebuild

SOURCE Odit Frontier Partners, from the forces in Section 2.

THE OUTCOME STATES

What follows is a description of the states an institution can occupy, not a forecast and not a ranking. The list is not ordered by likelihood, and movement between states is possible in both directions.

Table 4.12 lists the states an institution can occupy, in no order of likelihood. Movement between them is possible in both directions.

Table 4.12 THE STATES AN INSTITUTION CAN OCCUPY

NOTE The states are listed in no order of likelihood, and an institution can move between them in either direction.

State	What it looks like
Successful adaptation	The operating model changes deeply enough and early enough that fitness is restored within the existing institutional form
Partial adaptation	The new model is adopted alongside the old rather than in place of it, and the institution carries the cost of both
Late adaptation	The redesign is correct and arrives after the market has repriced the institution and reallocated the capital that would have funded it
Failed pivot	The attempt is made, fitness is not restored, and in some cases the reserves that would have funded a second attempt are consumed by the first
Managed contraction	The institution becomes deliberately smaller, narrower and cheaper, and remains regenerative at that size
Consolidation	The institution combines with another to reach the scale at which the rebuilt economics work
Migration to an adjacent form	Credit, blended finance, permanent capital, programme implementation, advisory or an operating platform, which are different economic mechanisms rather than variants of a closed-end fund
Persistence without regeneration	Brand, network, residual mandates and governance remain in place while the mechanism that produced new capital and new evidence has weakened
Exit	The institution winds down, whether by decision or by the expiry of its final vehicle

SOURCE Odit Frontier Partners.

Three observations. The eighth state is the least discussed and probably among the most common, and it is the one the others are worth undertaking to avoid, because an institution can occupy it for years without anybody inside having decided to. The fifth, sixth and seventh are not defeats but the environment selecting among organisational forms, which is what the deeper sequence in Section 2 describes. And the

formation evidence points to unglamorous levers. In the African SME fund sample, managers backed by a platform or sponsor reached viable or target size 61% of the time against 20% without one, and managers targeting under US$5m succeeded 52% of the time against 17% for those targeting more.[192] Starting small and starting sponsored are the two adaptations with demonstrable support behind them.

WHAT THIS SECTION CAN SAY

A section of this kind is expected to end in recommendations. The argument does not support them. What it supports is a change in the question.

The question is not how the fund escapes. It is not, in the end, even which part of the fund deserves to survive, although that question precedes any evolutionary attempt. The question is whether this particular institution can evolve deeply enough, early enough and cheaply enough before accumulated entropy and market repricing outrun it, and whether it will find out in time to matter.

Put the two asymmetries together and the contest sharpens. Force 04 leaves an incumbent holding allocator trust an entrant cannot quickly acquire, and an entrant holding architectural freedom an incumbent cannot quickly recover. Contractual lag makes that contest dynamic rather than static: the incumbent's architectural position can deteriorate for years while its trust position holds, and neither party can observe the crossing point while it happens. So the question this note has been circling since Force 01 can be put in one line.

THE QUESTION THIS SECTION LEAVES

Does accumulated trust compound faster than accumulated architectural lag?

Nothing in the public evidence settles it, and it may not have a single answer. It resolves institution by institution, and rarely visibly until well after it has resolved. What can be said is that the question is now the right one, that both quantities are compounding, and that only one is on the incumbent's side.

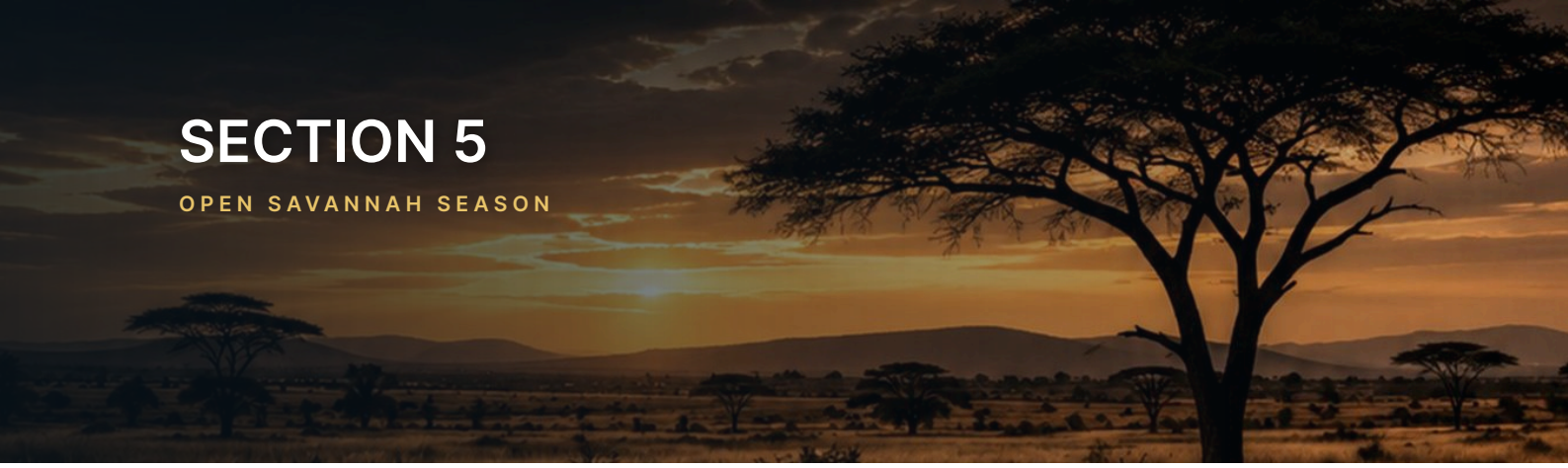
IMPORTANT CAVEAT

The paths, the calendar and the entrant timings are this note's propositions, not forecasts of particular institutions. Whether a fund that closed in 2026 was designed for the forces cannot be known from outside, failed raises are rarely announced, and the dates assume a typical ten-year fund. The paths describe positions an institution can be in; which one a given institution occupies, and whether it moves, is for that institution to show.

In short, the forces converge on every fund manager's next fundraise, but that moment falls at a different time on each path, and the paths meet it with different limbs and different freedom. A manager that closed in 2026 is safe now and exposed when its window opens after both clusters have passed. One that closed in 2023 to 2025 meets the AI cluster head-on. One that failed is at the neck already, held back by what it still owes. One building now has a head start paid for in looking wrong. A manager on no path has its verdict. Section 5 asks what advice can still reach on each path.

That question is about institutions. The one the note turns to next is about what can still be done for them, and when.

192 I&P and IETP, How can African SME funds mobilise more capital, 28 January 2025, for the formation-rate evidence.



SECTION 5

OPEN SAVANNAH SEASON

5 Through the Funnel: What Advice Can Reach

The limits of advice on each path, and where the leverage sits

A

SECTION 5 · PART 1 OF 4

What advice can reach: three kinds of intervention, and the path the institution is on

Optimisation, adaptation and transformation, and how far each reaches on each path from Section 4

Section 4 describes what happens to institutions under converging pressure. It leaves a second question, narrower and more practical than the first: once a long-duration vehicle has been formed, what can any intervention still change?

The question matters because structural pressure does not arrive into institutions with equal degrees of freedom, and the difference is not a difference in quality. A manager that has not yet raised can redesign from first principles. A manager whose raise did not complete has received difficult market feedback while retaining most of the freedom to act on it. A manager that has recently closed a conventional vehicle can still change its operating model, its technology, its evidence systems, its team structure and the design of its next product, while much of the current vehicle is already fixed in contractual terms, economics, governance and deployment obligations.

So the distinction that matters is not between institutions that adapt and institutions that do not. It is between institutions holding different amounts of remaining evolutionary freedom, and that quantity declines on a schedule largely set at formation rather than by anything management decides afterwards.

Any intervention aimed at helping an institution respond to structural pressure has to establish which of three problems it is actually addressing. They are routinely treated as points on a single scale. They are not.

Table 5.1 sets out what each kind of intervention changes, where it can be attempted, and what it cannot reach. It is the frame for everything that follows.

Table 5.1 KINDS OF INTERVENTION: WHAT EACH CAN REACH

NOTE The three kinds of intervention, set against what each can and cannot change.

The problem	What it changes	Where it can be attempted	What it cannot reach
Optimisation	The performance of the existing machine: production cost, cycle time, monitoring, reporting and the quality of decisions	The management company, at any point in the life of a vehicle, without anyone's consent	The shape of the vehicle, its economics, or the mandate it was raised against
Adaptation	Parts of the institution while the current vehicle continues: team shape, where judgement sits, what is published, capabilities built beside the fund	The management company, and the vehicle within its existing mandate and governance provisions	Anything requiring a different vehicle, a different fee architecture or a different species
Transformation	The underlying economic and organisational form: vehicle, product, fee architecture, and what the institution is	The successor vehicle, or a separate structure built alongside the current one	The vehicle already committed, other than by investor consent

SOURCE Odit Frontier Partners.

Where commitments are already deep, optimisation still produces real value, adaptation still reduces lag, and careful successor design still preserves future optionality. None of that is consolation. But the most common error is to bring an optimisation response to a transformation problem, for the straightforward reason that optimisation is the option always available. A faster version of a machine the environment has stopped rewarding is still a machine the environment has stopped rewarding.

How far each kind of intervention reaches depends on the path an institution is on, and Figure 5.1 sets the three against the paths from Section 4. On some paths advice can reach almost everything; on others it can reach only the running of the existing machine. Table 5.2 then names the constraint that binds on each path and the first question an adviser must ask.

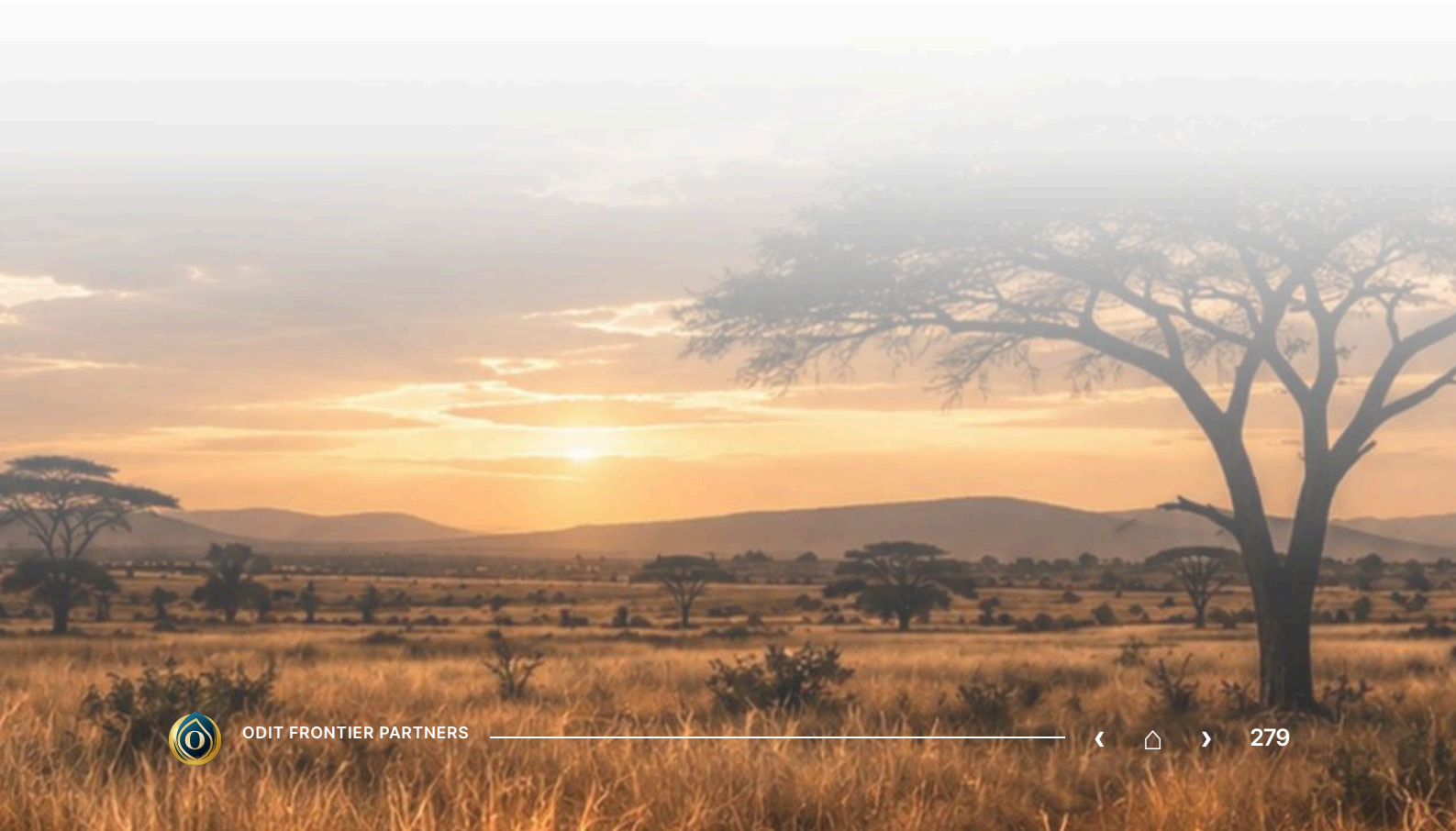
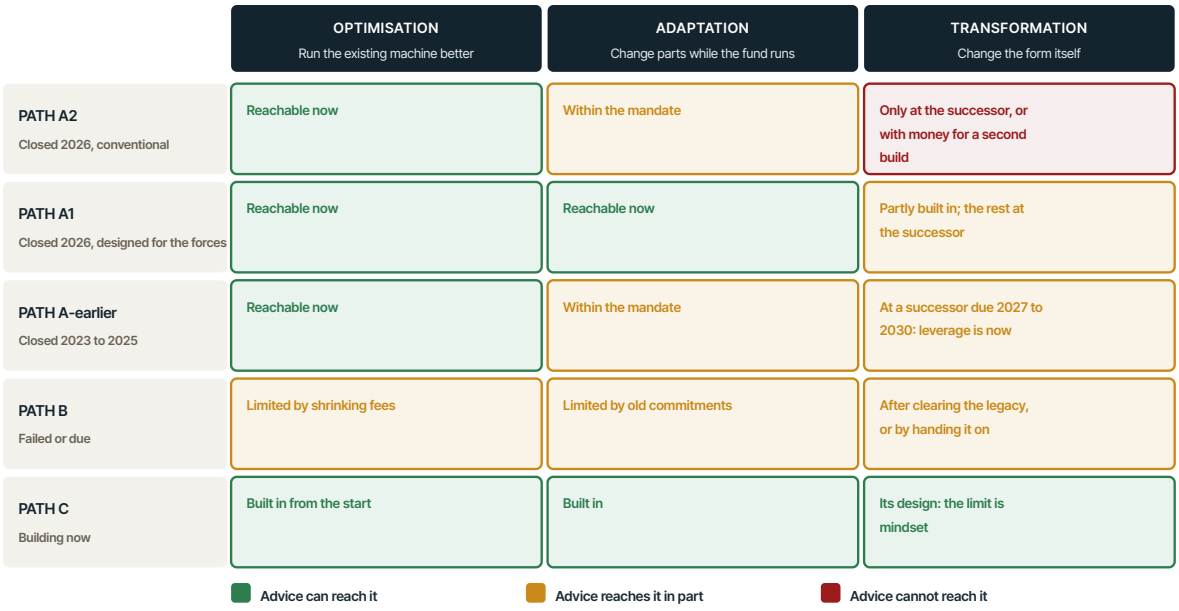


Figure 5.1 WHAT ADVICE CAN REACH ON EACH PATH: OPTIMISATION, ADAPTATION AND TRANSFORMATION, AGAINST THE PATHS FROM SECTION 4

NOTE This note's proposition, built from Table 5.1 and the paths in Section 4.



SOURCE Odit Frontier Partners.

Table 5.2 ADVICE BY PATH: THE BINDING CONSTRAINT, WHAT ADVICE CAN REACH, WHAT IT CANNOT, AND THE FIRST QUESTION AN ADVISER MUST ASK

NOTE This note's proposition. The paths are those of Table 4.1.

Path	The binding constraint	What advice can reach	What advice cannot reach	The first question
A2: closed 2026, conventional	Money to run two builds at once: the legacy fund and an experimental one beside it	The management company: workflow, cost, data; and the design of the successor fund	The fund's fixed terms, and the money for a parallel build	Do you have the money to fund a second build alongside this fund?
A1: closed 2026, designed for the forces	Executing a design already chosen	Execution, and the parts of the design left to the successor	Advice given before the fundraise, which cannot now be evaluated from outside	What did you design for, and what is still missing?
A-earlier: closed 2023 to 2025	Time: its next fundraise falls inside the 2027 to 2028 cluster	The management company now, and the successor's design while there is still time to shape it	The current fund's terms	What must your next fund look like, and can you build it before you raise it?
B: failed or due	Contractual drag: unfinished business on old commitments, which consumes money and bandwidth before anything new can start	Clearing the legacy: what must be finished, what can be handed on, what bandwidth is left	Money the manager does not have	What do you still owe your old funds, and what is left once that is paid?
C: building now	Mindset: the intellect, open-mindedness and tolerance of sunk cost to try, and to abandon what fails	The design, from the first document onward	Whether the founders will try, and throw away what does not work	Which savannah are you building for, and can you live with throwing work away?

SOURCE Odit Frontier Partners.

B

SECTION 5 · PART 2 OF 4

Path by path: the limits of advice

Why advice cannot rescue a conventional fund without money for a second build, why freedom does not help a manager that still owes its old funds, and why a new creature's limit is its own mindset

PATHS A2 AND A-EARLIER: NO ADVISER IS A MAGICIAN

For a manager that closed a conventional fund, advice can make the existing machine run better but cannot change its form, unless the manager can pay for a second build alongside the first. The fund's terms are fixed for about ten years. Changing the form means running the legacy fund and an experimental build side by side, which is how the largest managers abroad can afford to change, by funding the experiment from their own balance sheets. Without that money, running two species at once, as Section 4 describes, is a trap rather than a strategy. What advice can still reach is the management company, which can change quickly and without anyone's consent, and the design of the successor fund. For a manager that closed in 2023 to 2025, the successor is close enough that its design is the main lever, and the time to pull it is now.

PATH A1: ADVICE ALREADY GIVEN

A manager that designed its 2026 fund for the forces received its most valuable advice before it raised, and that advice cannot be judged from outside. Its fund agreement is private. The question left for it is execution: whether it does what its design allows, and what it still has to build into its successor.

PATH B: FREEDOM WITHOUT THE MEANS TO USE IT

A manager that failed to raise has the most freedom in law and the least in practice, because its old commitments come first. It still owes its existing funds a harvested portfolio, reports to investors and the duties of a manager until each fund is wound up, and all of that consumes money and bandwidth before anything new can begin. The first work of advice is therefore to clear the legacy: to separate what must be finished from what can be handed on. A GP-led secondary or a continuation fund can hand an unfinished portfolio to new owners, releasing money and time for the next thing. Whether anything new follows depends on what is left once the old is paid, and on whether the manager still reads its failed raise as a bad cycle rather than a changed savannah.

PATH C: THE LIMIT IS MINDSET, AND THE ADVISERS ARE PART OF THE PROBLEM

A new creature can be advised from its first document, but the question is which model it is being advised to build. Advice on the old fund model, for whichever position on the savannah, will reproduce the form under pressure. Advice on something experimental depends on whether the founders have the intellect and open-mindedness to try it and the tolerance of sunk cost to abandon what fails. The advisers themselves are part of the difficulty: lawyers, placement agents, due-diligence questionnaires and the standard fund agreement templates are built for the conventional form, so advice to a new manager tends to pull it back towards the shape the forces are attacking.

C

SECTION 5 · PART 3 OF 4

Where the leverage sits in time, path by path

Why leverage is highest exactly where intervention is least often sought

It follows that leverage is not distributed evenly across the life of an institution, and that it is highest at exactly the points where intervention is least often sought.

Before formation, the design space is entirely open and the information about what to design for is at its thinnest. After a raise that did not complete, the design space has been reopened involuntarily and the information is unusually good, which is the one genuine compensation for an unwelcome outcome. Early in the life of a committed vehicle, there are still years in which to build beside it. The successor-fundraising window, which is when the question is most often actually asked, is the point at which remaining freedom is lowest and accumulated lag is highest.

The general observation, and it is this note's proposition rather than a reported finding, is that not every structural problem can be resolved inside the vehicle in which it was discovered. Establishing which of the three problems is present is prior to acting on any of them, and it is the step most often skipped, because the second and third only become unmistakable at the moment the first is no longer sufficient.

On the paths of Section 4, the point of greatest leverage falls in a different place for each. For path C it is before formation, when the design space is open. For path B it is the moment the legacy is cleared or handed on. For path A-earlier it is now, while its successor can still be designed. For path A2 it is the design of its successor fund, years away, unless it can pay for a second build sooner. For path A1 it was before its 2026 fundraise.

D

SECTION 5 · PART 4 OF 4

The portfolio: compound obsolescence, and why surviving is not the same as keeping value

For paths A and B, the companies already owned may be the most important place left to intervene

Everything above concerns the institution. A long-duration vehicle faces structural pressure at a second level as well, and a manager already constrained upstream may find that the largest remaining source of optionality sits downstream, inside the companies the fund already owns.

At the fund level, the constraint is the one set out in Section 4: a vehicle negotiated years earlier, with a mandate, an investment period, portfolio construction rules, economics, governance and reporting obligations that cannot be redesigned from first principles once capital is committed. At the portfolio level, the companies inside that vehicle are entering their own changing environments. Their competitive position, technology, labour economics, customer behaviour, financing options, supply chains and routes to market may all move during the holding period.

That produces a second form of lag alongside the first. Contractual lag is the gap between how quickly the environment changes and how quickly the existing fund architecture can respond. **Portfolio vintage lag** is the gap between the assumptions an asset was underwritten against and the environment in which it must eventually be sold.

SURVIVAL IS NOT THE SAME AS VALUE

The two lags matter because a portfolio company can remain operationally healthy while the source of its value deteriorates. It can grow while its moat narrows. It can meet its earnings plan while the cost of reproducing what it sells falls. It can stay profitable while its customers acquire new ways to bypass the function its economics depend on. It can, in short, survive as a company and be worth materially less at exit.

For a closed-end fund that distinction is decisive, because the investor is not paid for the continued existence of the business. The investor is paid at realisation. The question is therefore not only whether a portfolio company survives, but whether the scarcity the fund paid for is still scarce when the company is sold. A company originally valued in part for possessing scarce technology may reach its exit after that technology has become ordinary. The company may still be a good one. The multiple may no longer be.

WHERE THE SCARCITY ACTUALLY LIVES

Exposure is not uniform, and the useful question is not whether a company is technology or not. It is where its scarcity resides. ***The taxonomy that follows is this note's proposition rather than a reported finding, and no reliable published measure of software replication cost was identified in the sources reviewed, so none is asserted.***

Table 5.3 sets out where a company's scarcity can reside, and what would erode it. Sub-force 08B sets out the same question vertical by vertical for technology businesses, with the moats a model cannot produce on demand in Table F8B.6.

Table 5.3 THE PORTFOLIO VULNERABILITY SPECTRUM: WHERE A COMPANY'S SCARCITY RESIDES

NOTE Where a portfolio company's advantage sits, and how exposed it is to cheap replication. Entries are illustrative.

Where scarcity lives	What the business actually owns	What would erode it	Replication exposure
In the software	An application, an interface, a workflow, and the engineering effort that produced them	A falling cost and time to reproduce comparable functionality, which converts a differentiator into a feature	Highest
Beneath the software	Regulatory permissions, proprietary data, funding cost, distribution, embedded customer relationships, switching costs, network density, a lending book	Loss of the underlying scarcity rather than of the interface. Technology here works as an amplifier rather than as the source of advantage	Moderate
In physical and economic assets	Land, plant, processing and cold-chain capacity, warehouses, grid connections, permits, offtake contracts, operating networks	Input costs, automation, financing conditions, regulation, climate risk and supply-chain concentration, rather than replication	Low for replication, real for cost and supply

SOURCE Odit Frontier Partners.

The point of the middle row is that a technology-enabled business is a different object from a technology business. A lender with permissions, proprietary underwriting data, cheap funding, merchant distribution and a defensible book may remain hard to reproduce even where its application layer becomes easy to build. An agricultural business with warehouses, cold chain, procurement relationships, farmer

aggregation, offtake contracts and working capital may retain most of its defensibility even where a competitor can reproduce its interface. The exposure sits in the first row, where much of the enterprise value rests on code, interface or workflow.

Physical sectors are not immune, but the mechanism is different and it is worth being precise about it, because the wrong mechanism produces the wrong response. A solar project does not become obsolete because a competitor can write an application in a week. Its value rests on generation assets, land, permits, interconnection, equipment and long-duration contracted economics. Its exposure runs through the supply chain instead. **The evidence here is developed-market and is used to characterise a global mechanism rather than an African one.** Transformer lead times have moved from roughly 140 weeks in 2023 to more than 160 weeks in 2026, utilities, industrial operators and renewable projects now compete for the same pool of transformers and switchgear, and data centres are projected to account for around 40% of United States electrical equipment demand by 2030, against under 2% at the start of the decade.[193] On the compon-ent side, semiconductor lead times reached about 40 weeks in March 2026. Buyers with scale and long procurement horizons secure supply first, and smaller buyers queue.

So a physically defensible asset can face a changing cost structure and a constrained supply chain created by technological change happening elsewhere in the economy. The risk is not replication. It is being outbid for the inputs.

WHEN THE TWO LAGS COMPOUND

The difficult case is the one in which the manager is constrained upstream and the portfolio is slow to evolve downstream. Where the manager evolves and the portfolio does not, the current fund can still lose value. Where the portfolio evolves and the manager does not, the vehicle may perform while the institution enters its successor cycle carrying architectural lag. Where neither moves quickly enough, the two reinforce one another.

COMPOUND OBSOLESCENCE

Compound obsolescence is the condition in which an investment institution and the assets it owns lose fitness against a changing environment during the same holding period.

The two are not independent. A manager constrained by a committed vehicle has less capacity to respond to deterioration in the portfolio, and deterioration in the portfolio reduces the realised evidence that manager will need in order to raise a successor. Either alone is survivable. Together they compound, and the compounding is invisible in the reported figures until a realisation tests them.

This changes what duration means. Long duration allows an investor to hold through a cycle, which is what it was designed to do, and Section 3 is careful not to read cyclical difficulty as structural pressure. It offers no equivalent protection against structural change. Under structural change duration supplies time, and time can be spent on adaptation or consumed by obsolescence. The length of the holding period does not determine which.

For a manager already constrained by a committed vehicle, the portfolio may therefore be the most important arena of intervention still available, and the work there is not conventional value creation. It is closer to trajectory preservation. Which companies can adapt. Which are exposed because their

193 Data Center Knowledge on United States electrical equipment lead times and competition for transformers and switchgear, 2026. Wood Mackenzie, reported by E&E News, Data centers to triple US power equipment market to $65B, 29 April 2026, for the 40% and under 2% shares.

advantage is becoming reproducible. Which own scarcity that remains genuinely difficult to reproduce. Which need to change product, cost structure, distribution or financing before market recognition catches up with a weakening trajectory. And which were underwritten against assumptions that should not be carried into an exit model unexamined.

The question at the end of it is severe and simple. Can enough of the portfolio evolve before the changing environment reaches terminal value? Because where the vehicle is contractually slow, the institution is structurally lagging and the assets are losing scarcity at the same time, a fund can remain legally alive and operationally active while the value available for eventual distribution quietly disappears.

ACTIVE IS NOT THE SAME AS REGENERATIVE

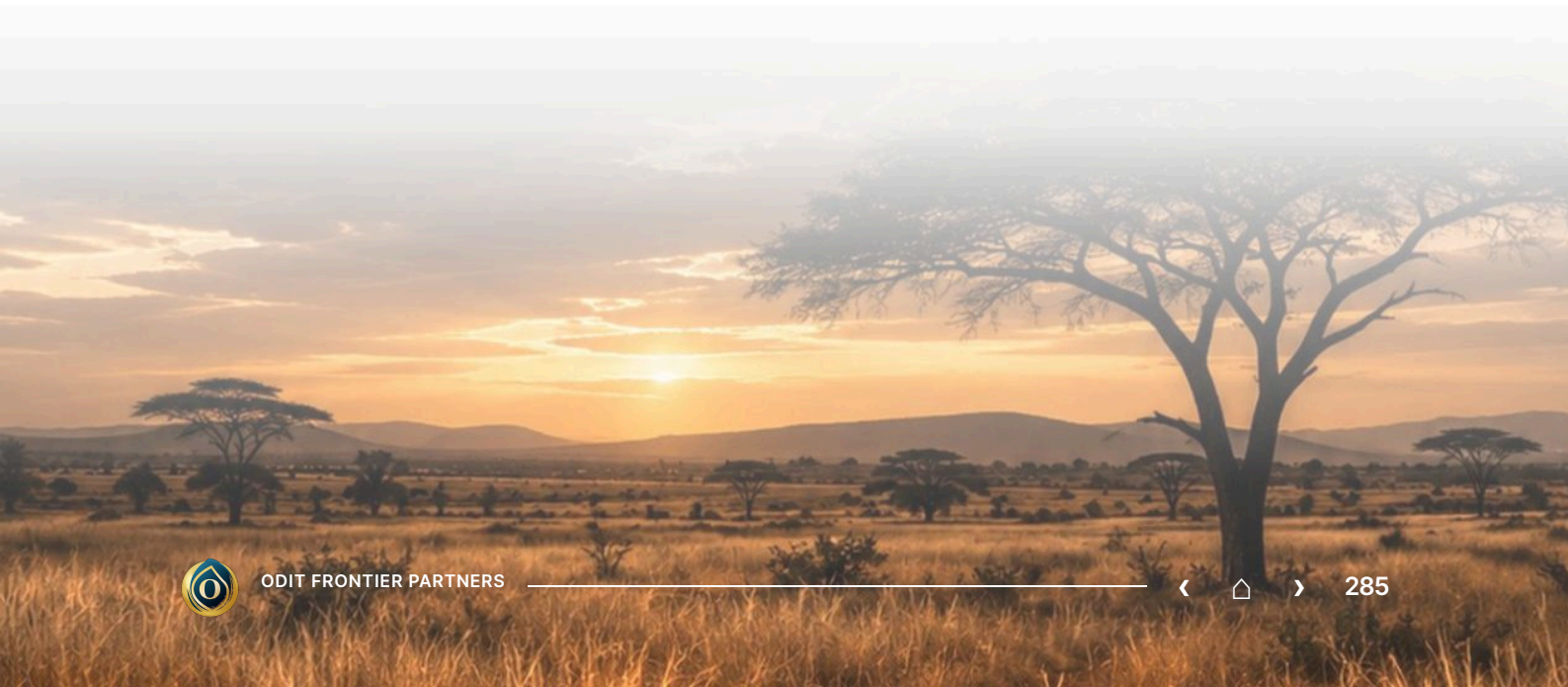
Open savannah does not prescribe survival. It removes protection. What happens next depends on the speed of external change, the institution's own evolutionary capacity, the drag created by legacy architecture, the amount of contractual freedom remaining, and the time available before market recognition catches up with trajectory.

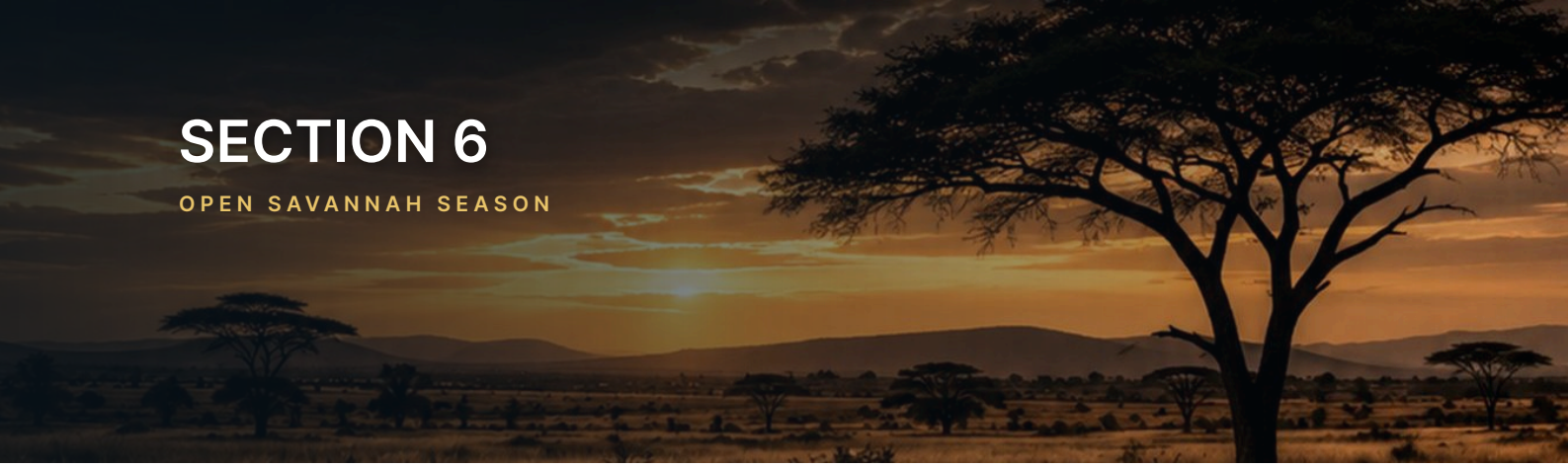
Which makes the defining question not whether an institution can remain active, but whether it can remain regenerative. An institution can stay funded, credible and busy long after the architecture that produced its earlier success has begun to lose fitness. The difficulty of that state is not that it is painful. It is that it is comfortable, and that it produces no signal of its own until the successor raise arrives to supply one.

So the timing of a response matters more than the content of any particular one. The task is to begin evolving before necessity removes the freedom to choose how.

> IMPORTANT CAVEAT
>
> **This section describes what advice can and cannot reach on each path; it is not a recommendation to any institution.** The paths are positions, not verdicts on particular managers, and a manager's real position depends on terms, money and intentions that are not public. The limits set out here are this note's propositions.

In short, advice is not a rescue, and how far it reaches depends on the path an institution is on. For a conventional fund that closed in 2026, advice reaches the management company and the successor's design, and no further without money for a second build. For a manager that failed to raise, the first work is clearing what it still owes. For a new creature, advice can shape everything, and the limit is whether its founders will try and abandon what fails. On every path, the portfolio already owned may be the most important place left to act.





SECTION 6

OPEN SAVANNAH SEASON

6 The Other Side of the Funnel: The Entry Window

When structural pressure stops being a threat to the incumbent and becomes an opening for the entrant

A

SECTION 6 · PART 1 OF 3

From outside the enclosure: the same forces read as terrain

Why the pressures on the incumbent are an opening for the entrant, and the old logic of choosing when to attack

Everything to this point has been written from inside. The nine forces are pressures on an incumbent, the convergence section measures how they compound, and the evolution section asks what an institution under that pressure can still do about it. All of it assumes the reader is the animal being hunted. That assumption is worth removing, because the same pressures read completely differently from outside the enclosure, and an analysis that only ever occupies one position will miss what the other one can see.

There is a small accident of vocabulary that names the problem better than any framework would. In military usage, to "invest" a fortified place is to surround it and cut off its supply, its communications and its reinforcement until its capacity to resist deteriorates. The Oxford English Dictionary glosses the term as beleaguerment and blockade. Both that sense, from about 1600, and the financial one, from the 1610s, descend from the same Latin word, investire, to clothe.[194] **The coincidence proves nothing and is not offered as an argument.** It is offered because the two meanings hold the two halves of this section together: the operation that starves a defended position, and the act of putting capital behind a claim on the future.

TWO OLD LOGICS, STATED PLAINLY

Strategic thought has circled the same problem for a long time, and the problem is not how to attack a defended position but when. Two logics recur. The first is the siege, which does not attack the walls at all: it reduces the resources sustaining the position until the capacity to resist falls on its own. The second is the vulnerability window, which does attack, but chooses the moment at which defensive readiness is impaired rather than the moment at which the attacker feels ready.

194 Oxford English Dictionary and Merriam-Webster on the military sense of investment; Online Etymology Dictionary on investire.

The most useful idea in that tradition, for this purpose, describes the attacker rather than the defender. Clausewitz called it the culminating point: the moment at which an offensive has consumed the superiority that carried it, past which persistence becomes dangerous. "The power of the attack gradually exhausts itself," he wrote, and beyond the point where it does, "the scale turns, there is a reaction; the violence of such a reaction is commonly much greater than the force of the blow." An entrant has a culminating point, and it is the end of its runway. The distance between the moment it commits and the moment the market is willing to move is the interval it has to survive on its own resources.

That is the whole of the analogy and this note takes it no further. Reduced to a principle it says only this: **a defended position is not equally defensible at every point in time.** Translated into markets, a business model is not equally difficult to challenge at every point in its lifecycle.

THE INVERSION

From inside the enclosure, the nine forces are compression. Fee income falls, published proof thins, operators internalise the functions once bought, liquidity promises get tested, development capital narrows its terms, domestic pools arrive with different requirements, mandates shift toward themes the portfolio cannot reach, and adjacent providers take the financing question. Each of those consumes management attention and reserves, and the evolution section describes what happens when several arrive at once.

From outside, the same list reads as a description of terrain. Every function under pressure is a function whose price is being renegotiated. Every allocator declining a re-up is an allocator with an unspent line and a reason to look at something unfamiliar. Every incumbent obliged to rebuild several parts of its architecture simultaneously is an incumbent whose attention is committed elsewhere. ***The proposition of this section is that structural pressure carries opposite signs depending on position: it removes defensive margin from the incumbent and lowers resistance for the challenger, and it does both from the same underlying event.***

The important half of that is the second, and it is not about the incumbent's weakness at all. What matters to an entrant is not that the incumbent is struggling. It is that the customer has become willing to reconsider. Those are different conditions and they do not arrive together.

B

SECTION 6 · PART 2 OF 3

When the window opens: the cases, the price of persuasion, and two races

What five historical cases show about entry timing, why an entry window is a discount on proof, and why that discount grows as incumbents weaken

Five bodies of evidence were examined against the timing mechanism rather than against the general proposition that challengers appear when incumbents weaken. That general proposition is not worth a section. What follows is only kept because the cases separate entry order from entry timing, and because two of them cut against the argument.

Table 6.1 sets out the five cases and what each establishes. Two of them cut against the argument, which is why they are kept.

Table 6.1 ENTRY TIMING: FIVE CASES TESTED AGAINST THE WINDOW MECHANISM

NOTE Five historical cases, each classified by what it shows about entry timing. Two of them cut against the argument.

Case	Classification	What it establishes
May Day, 1 May 1975	Supports, with a lag	The Securities and Exchange Commission ended fixed brokerage commissions. Standard rates were cut by up to half immediately and Charles Schwab opened its first retail branch that September. By 1979 the Commission counted 97 registered discount brokers handling nearly 8% of United States retail trading volume. The window opened in a single day. The migration took years
First Index Investment Trust, 31 August 1976	Narrows	Underwritten for US$150m, it raised US$11.3m, about 7.5% of target, and could buy only 280 of the 500 index constituents at launch. The architecture was correct, the cost argument was correct, and the market was not yet dissatisfied enough to move. Being right is not the same as being timely
Bank capital regulation and private credit, 1988 to 2013	Supports the siege mechanism	Basel I, Basel II, Dodd-Frank, Basel III and the 2013 leveraged-lending guidance raised the cost of holding the exposure rather than attacking the banks that held it. Non-bank private credit grew from roughly US$80bn in 2004 to more than US$1.7tn. The incumbent's supply line was constrained by a third party, and the entrant occupied what was released
Netflix and Blockbuster, 1997 to 2004	Contradicts the strong form	Netflix was incorporated on 29 August 1997, launched the subscription model in September 1999 and reached one million subscribers in April 2003. Blockbuster reached its own peak in 2004, at 9,094 stores and 84,300 employees. The entrant arrived roughly seven years before the incumbent's maximum, and had already built its base by the time the window was visible
Golder and Tellis, roughly 500 brands across 50 categories	Supports at population scale	Nearly half of market pioneers failed outright. Pioneers averaged about 10% market share, and 7% in post-war categories, against 28% for early market leaders, who entered on average around thirteen years later. Entry order and entry timing are separate variables and the second is the one that travels with outcomes

SOURCE Securities and Exchange Commission Rule 19b-3 and the Securities Acts Amendments of 1975; Charles Schwab corporate history; Commission count of registered discount brokers, 1979. Vanguard First Index Investment Trust launch record, 31 August 1976. Golub Capital, history of bank and non-bank participation in middle-market lending, for the Basel and leveraged-lending chronology and the private credit series. Netflix corporate timeline; Blockbuster peak store and employee counts, 2004. Peter Golder and Gerard Tellis, Pioneer Advantage: Marketing Logic or Marketing Le- gend?, Journal of Marketing Research, 1993.

Read together they refuse the comfortable version of the argument in both directions. Netflix shows the window is not necessary: an entrant can commit while the incumbent is still growing, and simply carry the cost of waiting.[195] May Day shows it is not sufficient: a structural change that removed the incumbent's protected pricing overnight still left the entrants with 8% of the market four years later.[196] Vanguard shows what being early costs even when the analysis is right, which is most of the capital the vehicle was supposed to raise.

So the window does not decide the outcome. ***What it changes is the price of persuasion. This note's proposition is that an entry window is a discount on the quantity of proof an entrant must buy before an allocator will move, and not a substitute for that proof.*** An entrant arriving into a satisfied market has

195 Netflix corporate timeline; Blockbuster peak store and employee counts, 2004.
196 Securities and Exchange Commission Rule 19b-3 and the Securities Acts Amendments of 1975; Charles Schwab corporate history; Commission count of registered discount brokers, 1979.

to fund the entire cost of changing somebody's mind. An entrant arriving into a dissatisfied one is subsidised by the dissatisfaction, and needs less evidence, less time and less capital to reach the same decision. The Golder and Tellis result is what that looks like across a population: the firms that led categories were not the ones that arrived first, they were the ones that arrived when arriving was cheap.

That connects directly to the proof-time moat in Force 04. The moat is the interval between a replacement architecture becoming technically viable and becoming institutionally fundable, and during that interval the incumbent does not have to out-design anyone. What this section adds is that the interval is not a fixed length. It is set by how much proof the allocator requires, and the amount of proof an allocator requires falls as its dissatisfaction with the existing answer rises. Structural pressure shortens the moat from the far side.

The discount grows as the industry weakens, because the collapse of incumbents feeds itself. Section 3 sets out the entrant's loop: as incumbents weaken, investors have fewer funds they want to back, the cost of trusting something new falls, entrants are funded sooner, and incumbents weaken further. The window is therefore not only opened by structural pressure; it widens with every turn of that loop, provided credible entrants are standing when investors' patience breaks. Where none are, the money goes direct to companies or into credit instead (Section 3).

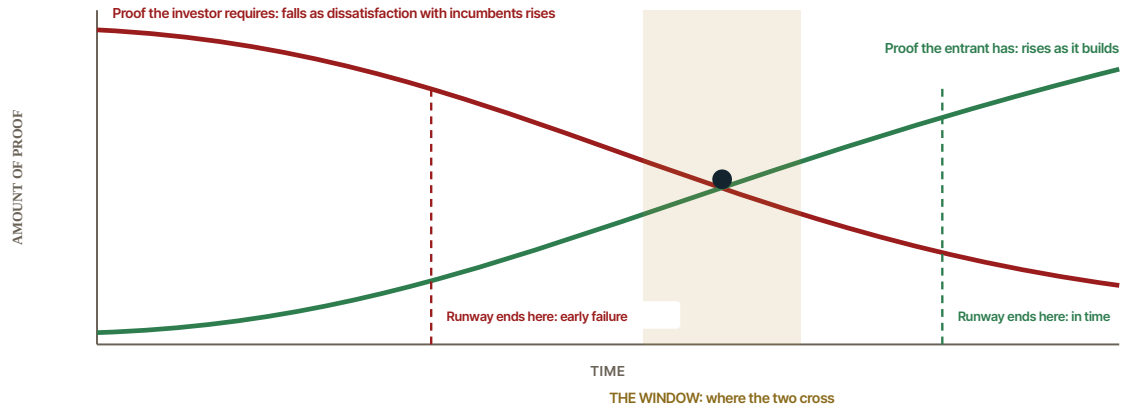
TWO RACES, NOT ONE

The entry moment is therefore the intersection of two processes running on independent clocks, and neither party controls both. The entrant is running against its own culminating point: can it become fundable before its runway ends? The incumbent is running against its allocators: can it adapt before dissatisfaction rises high enough to support a migration? Those two questions are settled by different people, and the window is where their answers cross.

Figure 6.1 draws the two races: the proof an investor requires, falling as its dissatisfaction rises, and the proof an entrant has, rising as it builds. The window opens where the curves cross. An entrant whose runway ends before the crossing fails early, however good its architecture; one whose runway reaches past it arrives in time.

Figure 6.1 TWO RACES: THE PROOF AN INVESTOR REQUIRES AGAINST THE PROOF AN ENTRANT HAS, AND WHERE THE ENTRANT'S RUNWAY ENDS

NOTE Illustrative. The curves show direction, not measured quantities.



Illustrative. The entrant's runway end is its culminating point; the window opens where the two curves cross.

SOURCE Odit Frontier Partners.

Being early and being late fail differently, which is worth stating because they are usually collapsed into one risk. Early failure is a funding failure: the architecture works, nobody needs it yet, and the entrant exhausts itself demonstrating something the market has no reason to buy. That is the 1976 case exactly.[197] Late failure is a positioning failure: the shift is now consensus, the terrain is occupied, the opportunity has been repriced, and what remains is competition rather than entry.

Which returns this section to the recognition lag set out in Section 3. If a legacy system can hold peak observable activity after its replacement trajectory is already visible, then the interval in which entry is cheapest is also the interval in which it looks least justified. The incumbent is still raising, still hiring and still announcing transactions. ***The proposition, and it is a proposition, is that the entry window opens in the gap between trajectory and belief, and closes as belief catches up: by the time the market agrees that the architecture is under pressure, the terms available to an entrant have already moved against it.***

Being early has a cost beyond money, and Section 4 sets it out. A new creature pays in looking wrong before it is proved right: reputational and social cost, friction with templates built for the old form, and the daily cost of waiting for its proof (Table 4.8). Its culminating point is reached not only when its money runs out, but when its backers' patience with looking wrong does.

C

SECTION 6 · PART 3 OF 3

Where African private capital sits: the window, the proof, and the calendar

Dissatisfaction is documented; entrant proof is documented for credit and platform entrants and not for machine-native equity

The two conditions can be assessed separately against evidence already assembled in this note, and they give different answers, which is the finding.

Dissatisfaction is documented. Coller Capital found around 79% of limited partners declining a re-up with one or more current managers in a twelve-month period, with performance the leading reason.[198] Force 03 records how thin realised distribution evidence is, Force 06 records development capital narrowing its terms, and Force 07 records domestic capital arriving with requirements the conventional dollar vehicle cannot meet. Whatever else is true, the allocator base is not satisfied.

Entrant proof is not documented, and Force 04 states the boundary precisely. Across eight independent search strategies no Africa-based manager was identified publicly documenting an end-to-end machine-native investment operating model. So on the public record the African position is asymmetric: the window condition appears to be met and the proof condition is not. That is a description of an opening that nobody has yet been able to walk through, which is a different and more interesting situation than either an intact incumbent position or an active displacement.

The proof condition is already being met by one kind of entrant: lenders and platforms that prove themselves through yield and repayment. Digital and platform lenders were lending at scale on transaction data in 2026, from Moniepoint's more than US$700m of business loans in 2025 to Yoco's advances repaid from daily sales, and a naira private debt series drew its pension investors back after publishing its first yield (Forces 07 and 09). These entrants do not need a decade of exits to show what

197 Vanguard First Index Investment Trust launch record, 31 August 1976.
198 Coller Capital 41st Global Private Capital Barometer, December 2024.

they return. For credit and platform entrants, the window and the proof may already overlap; for machine-native equity, the window is open and the proof is not yet public. Table 6.2 sets out the two positions and when each is likely to close.

Table 6.2 WHERE AFRICAN PRIVATE CAPITAL SITS ON THE WINDOW: THE TWO CONDITIONS, BY KIND OF ENTRANT, AND WHEN EACH IS LIKELY TO BE MET

NOTE The timings are OFP's foresight proposition, as in Table 3.7 and Table 4.9.

Kind of entrant	Window condition: investor dissatisfaction	Proof condition	Position and timing
Credit or platform entrant	Documented: investor dissatisfaction, and a market for credit	Documented: lending at scale, published yields	Open now; likeliest to be walked through in 2027 to 2028
Machine-native equity entrant	Documented	Not documented in Africa (Force 04)	Open, with no one yet through it; the proof is likely to land in 2028 to 2031, earlier if the entrant's loop speeds up

SOURCE Odit Frontier Partners, from Forces 04, 07 and 09 and Sections 3 and 4.

One qualification belongs on this reading. The absence of public documentation is not evidence of absence, as Force 04 says of the same finding: a machine-native equity manager may already be operating in Africa without publishing how.

IMPORTANT CAVEAT

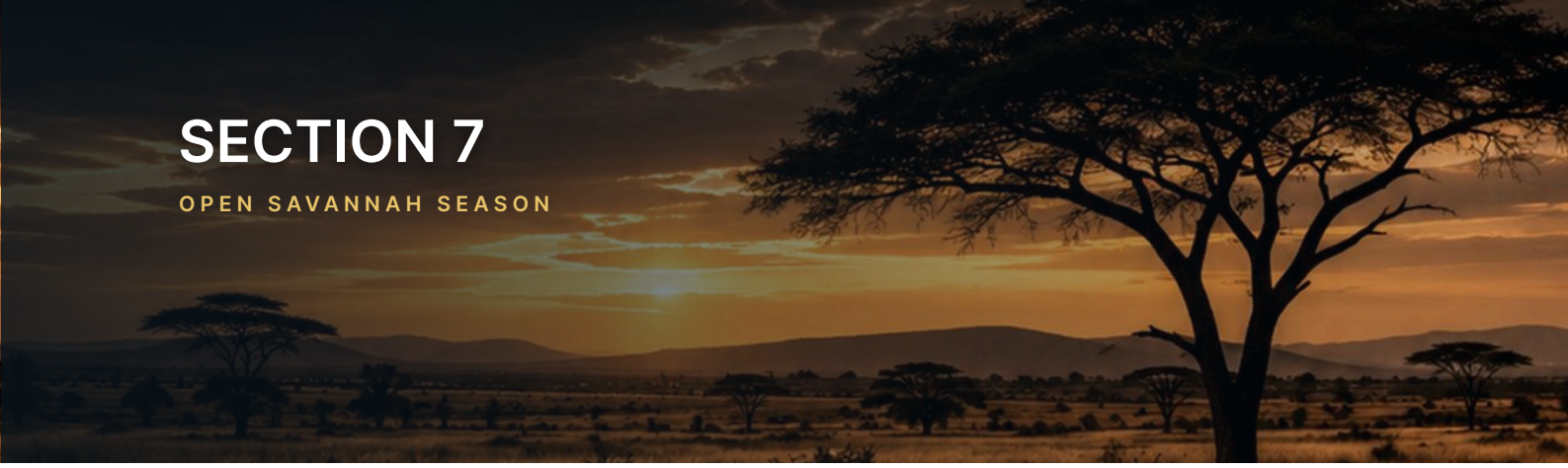
The entry window is a proposition about timing, not a prediction that any entrant will succeed. The historical cases show the window is neither necessary nor sufficient. What it changes is the price of persuasion, and the reading of African private capital here rests on documented dissatisfaction, documented credit entrants, and an absence of public evidence for machine-native equity.

THE QUESTION THIS SECTION LEAVES

What appears as compression from inside the enclosure can appear as unusually fertile ground from outside it, and the two observers are looking at the same event. The entrant's problem is not only whether it has built the better architecture. It is whether it arrives when the market has become willing to believe that a better one is needed.

When does structural pressure stop being a threat to the incumbent and become an investable opening for the entrant?





SECTION 7

OPEN SAVANNAH SEASON

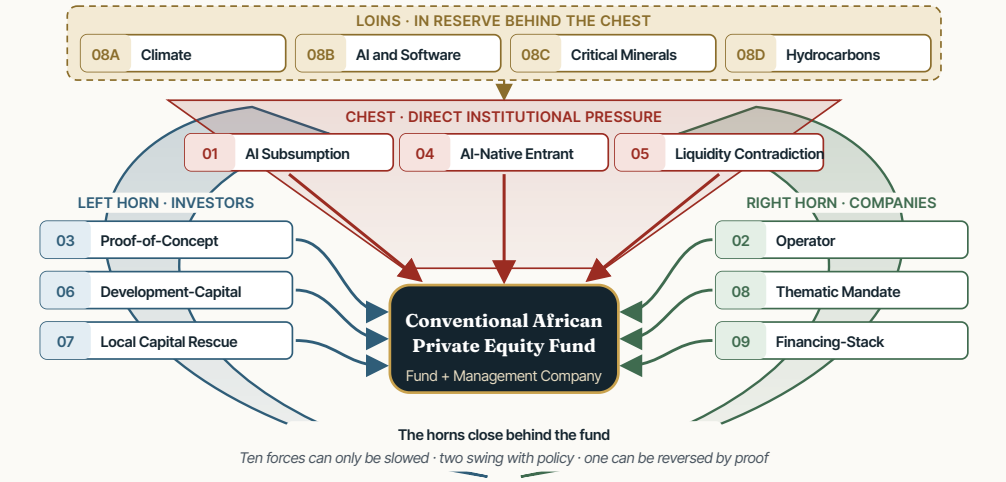
7 Closing

Open savannah is not an extinction event, and reading it as one misses the mechanism entirely. Species do not die because the fence comes down. They lose the portion of their advantage that the fence was quietly providing, and are then obliged to compete on whatever remains.

The fence has come down, and the forces close in from every side at once, as Figure 7.1 shows.

Figure 7.1 THE ENCLOSURE GONE, THE FORCES CLOSING: THE NINE FORCES AND THEIR SUB-FORCES AROUND THE AFRICAN PRIVATE EQUITY FUND

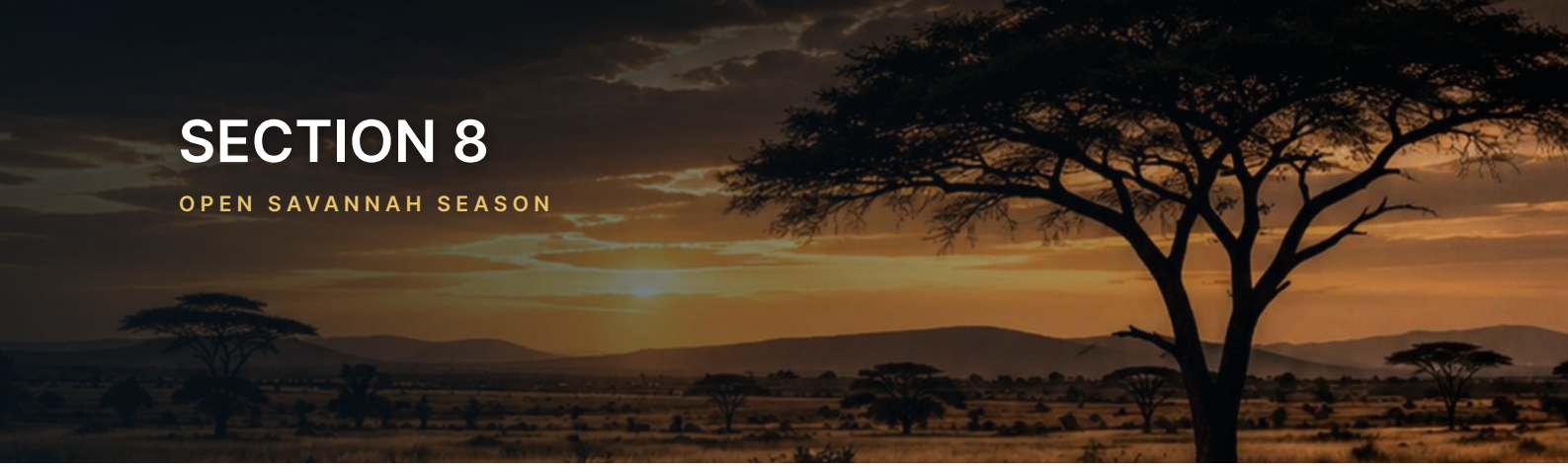
NOTE A compact form of Figure 1.8, with the force categories of Section 3.



SOURCE Odit Frontier Partners.

This note has set out what is hunting the fund, when it arrives and what advice can reach, not how any institution should survive. Survival blueprints were not the scope of this research and, in an environment changing this fast, are too commercially important to share openly in a public piece.

There is no way back through the fence, because the fence is the thing that went. What is left is the attempt: cheaper where cost was the advantage, scarcer where intermediation was the advantage, faster where process was the constraint, more legible where proof was missing, more honest where liquidity was promised, and more competitive where capital once had nowhere else to go. Whether the attempt succeeds is not settled by making it, and Section 4 sets out why. What emerges may still be called a fund. It may not. The name is the least important part.



SECTION 8

OPEN SAVANNAH SEASON

8 Note on Evidence and Method

Figures are attributed to a named source and dated, and the evidence is read as at 14 November 2026. Every figure carries its period basis, because the most common error in this literature is comparing a year-to-date number with a full-year one, or a venture figure with an all-strategy one.

One test governs the whole note. For every claim, ask whether the evidence demonstrates performance, demonstrates disclosure, or merely demonstrates activity. These are three different things and this note does not treat them as interchangeable.

Activity is capital raised, capital deployed, companies backed, exits counted, jobs created. Disclosure is what a manager or an allocator has chosen or been obliged to publish. Performance is what the capital actually earned. Most African private-capital evidence is activity. A little is disclosure. Almost none is performance, and the absence of the third cannot be read as evidence about it either way.

Six categories of statement are kept distinct throughout, and Table 8.1 sets them out.

Table 8.1 CATEGORIES OF STATEMENT USED IN THIS NOTE

NOTE The six categories of statement used throughout this note, what each means, and how it is used.

Category	Meaning and use in this note
Documented	Stated by the source cited, at the period basis given. The default.
Derivation	Arithmetic performed here on published totals. Labelled in the text. Two are used: the average African venture-debt ticket against the average 2025 venture fund close, offered as a scale comparison and not a like-for-like metric, and the management-fee arithmetic on a US$25m fund.

Category	Meaning and use in this note
Proposition	This note's argument rather than a reported finding. Four are load-bearing: that mixedintention capital may have deferred commercial selection for some recipients, stated at category level in Force 06, scoped to the evidence that exists and paired with the finding that provider-side additionality largely held; that falling AI production costs are a cause of fee compression; that the fund layer is being bypassed above a size threshold rather than generally, and that the threshold is descending; and that local capital arriving into unreformed vehicles specifies rather than refutes the sixth force. Section 4 is propositional in a different way: the pressures it works from are evidenced, while the model of institutional response, including contractual lag, the post-exposure formation advantage and the cohort bands, is an argument about mechanism and is labelled where it opens. Its forward columns are scenario rather than proposition and are treated as a separate category below. Section 5 is propositional throughout: it concerns what intervention can reach at different points in an institution's life, and asserts no finding about any institution.
Scoped finding	A search result stated as such rather than as a universal negative, where an absolute claim could not be certified.
Proxy evidence	Developed-market observation used to characterise a mechanism where African disclosure does not exist. Used in Force 05, and in Section 5 for the equipment and component supply-chain evidence, and labelled in both, with the evidence boundary stated before the evidence.
Scenario	A forward statement of what the trajectories described would imply if they continued. Not a forecast, not evidence, and written in conditional terms. Used only in Section 4, in the time-displacement table and the cohort bands, and labelled before each. No year in a scenario column should be read as a claim about that year.

SOURCE Odit Frontier Partners.

Species separation. Venture capital, growth equity, buyout, private credit, evergreen vehicles and all-strategy African private capital are different objects with different data. Where this note gives a fund count, a fundraising total or an LP composition, it names the strategy. **Association data.** Figures from AVCA are used only as year-on-year changes. Its levels, shares and survey results are not used.

Survivorship. Public evidence in this market is selected on survival. Funds that raised a successor, companies that raised at scale and exits that completed are visible. Funds that never reached a second vintage, portfolios written down quietly and assets unrealised at year twelve are not. Every inference here from public African fund evidence is drawn from a biased sample, and the bias runs toward the favourable.

Known residual risks. Three figures rest on secondary reporting of primary datasets and are flagged as such rather than removed, because each is counter-evidence or scale context rather than load-bearing: the Stanger non-traded REIT redemption totals, reported by Bisnow; the Accordion data-readiness benchmark, which the publisher's site did not serve; and the reported final close of Spiro's June 2026 round at US$270m, for which only the US$215m leg is documented by adviser release. AVCA restates figures between report vintages, so each AVCA number below names its edition.

The register

The evidence base. The register readings in Sections 1 and 3 and the evidence sections that close each force draw on the OFP LinkedIn Intelligence Register, read as at 14 November 2026. It holds 1,494 records, 1,337 after duplicate sources are removed. They come from posts saved by OFP on LinkedIn and from systematic searches of Africa Private Equity News, African-Startups, Africa Capital Digest, Africa Investor Review, AVCA member and industry news, and the DealMakers Africa quarterly reviews for the first and second quarters of 2026.

record is not treated as a live opportunity.

Scope of the measures. Africa-focused funds are fund records whose target geography is African; global and generic emerging-markets vehicles are excluded. Investor measures record which kinds of investor a fund names, not the share each holds, and distinguish commitments stated as made from those stated as proposed. Exit measures place each recorded exit on the evidence ladder in Force 03 by the highest rung its source discloses.

How cases are used. Each chapter closes with cases from the register, grouped as supporting the force, cutting against it, or limiting it. Every case is cited to its register record, which holds the original source. Where the register held only a headline, the case was used only after the article itself confirmed it.

One date. The chapter text and the register evidence are both read as at 14 November 2026. Table 8.2 lists the sources behind each section and force.

Table 8.2 SOURCE REGISTER

NOTE Sources grouped by the section or force they support. Full references, with dates, are in the footnotes.

Section or force	Sources
Sections 1 and 3 Market context, recognition lag and convergence	Strategy Analytics Q4 2007 handset data via The Register, 24 January 2008. CIPA digital camera shipment series via PetaPixel and Statista. IDC United States digital camera share 2005 via NBC News. RIAA United States recorded music revenue series via AEI. ODI, Concessional but catalytic? Insights on DFI blended concessional finance practice, September 2025, nine anonymised sub-Saharan Africa case studies. OECD, preliminary 2025 ODA data and press release, April 2026, and ODA projections for 2026 and the near term, June 2026. AVCA, 2025 African Private Capital Activity Report, 25 March 2026. AVCA, Q2 2026 African Private Capital Report and Q2 2026 Venture Capital in Africa Report, 28 July 2026. Launch Base Africa, H1 2026 African tech funding tabulation, 1 July 2026. McKinsey, Global Private Markets Report 2026. Bain, Global Private Equity Report 2026. AllAfrica, INEC reschedules 2027 general election, 26 February 2026. Dawan Africa, IEBC confirms 2027 election date, 14 September 2026. Devex, EU seeks major boost to development in budget amid Europe-first shift, 17 July 2025. Bloomberg, World Bank lifts ban on nuclear power, considers upstream gas, 11 June 2025. Climate Home News, 16 October 2026. E3G on FMO fossil fuel exclusion. Mining.com, reporting BloombergNEF on copper, 25 August 2025. METR, Time horizon 1.1, 29 January 2026, and early-2025 developer productivity study, 10 July 2025. Stanford HAI, AI Index Report 2025 and 2026. Vals AI, Excel Modeling Benchmark v1.1, 11 November 2026. SpreadsheetBench 2, arXiv 2606.29955, 29 June 2026.
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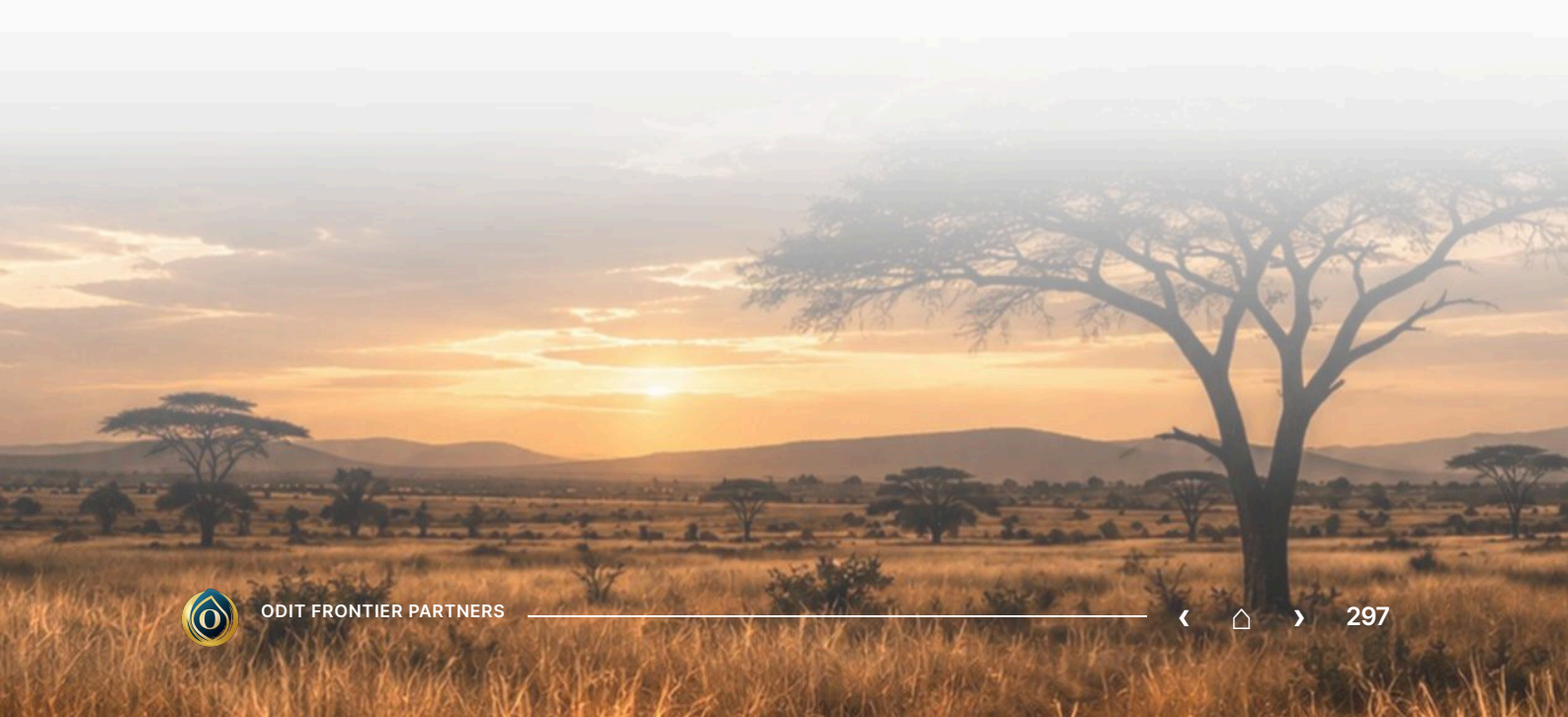

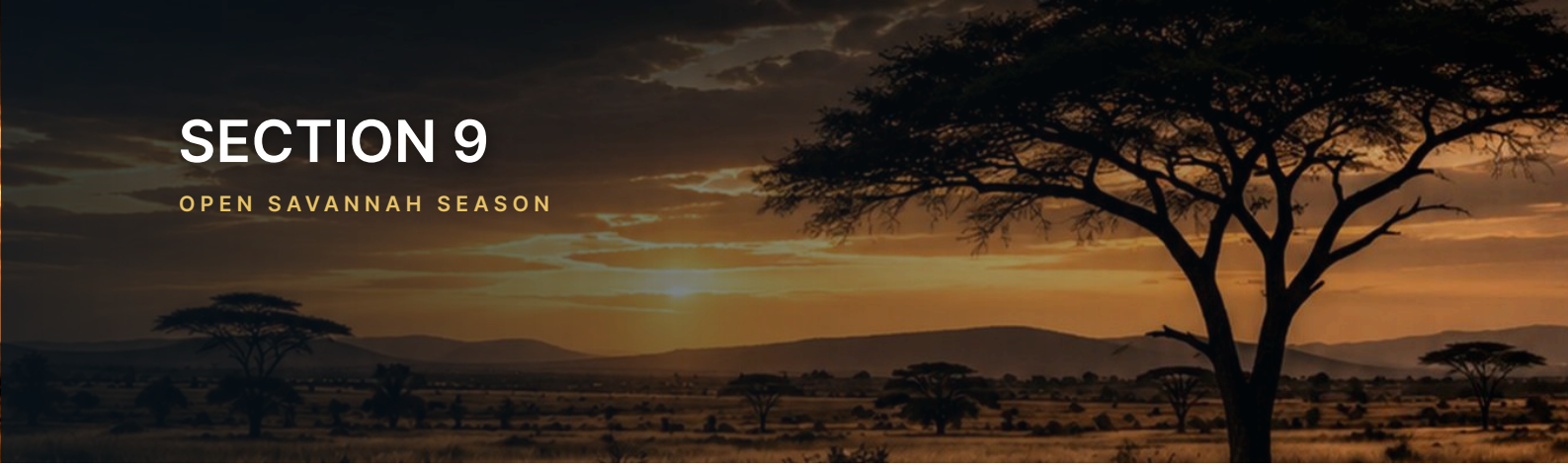

SECTION 9

OPEN SAVANNAH SEASON

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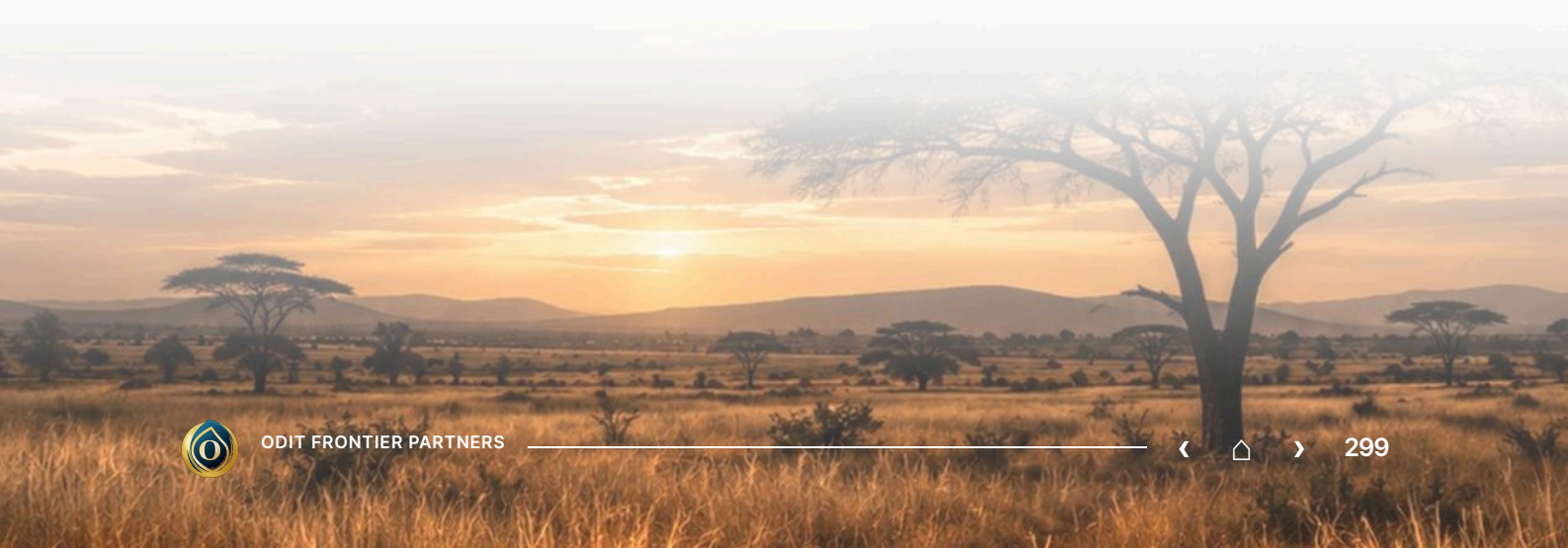

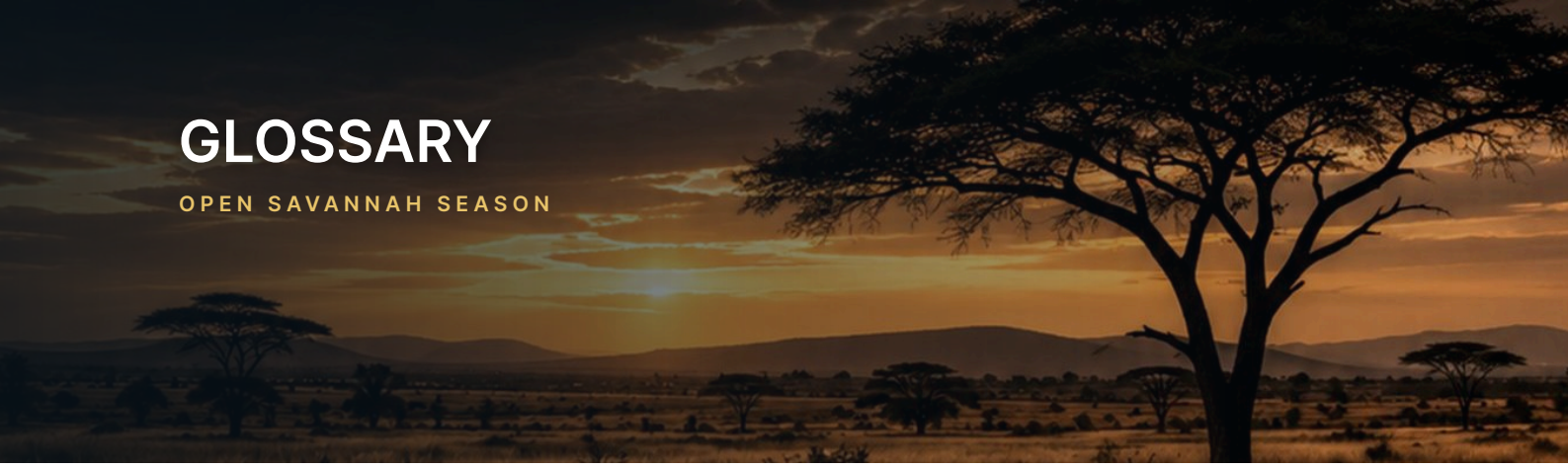

Glossary

Technical terms used in this note, in plain words

Anchor investor	A large investor whose commitment to a new fund other investors wait for before committing themselves.
Carried interest	The share of a fund's profits, usually paid when investments are sold at a gain, that goes to the general partner.
Closed-end fund	A fund that raises money once, invests it, sells its investments and returns the money over a fixed life, usually about ten years. Species A in this note.
Continuation vehicle	A new vehicle, set up by the same manager, that buys investments from a fund near the end of its life so they can be held for longer.
Development finance institution	A government-owned lender and investor that finances private companies in developing countries.
Distribution	Money a fund pays back to its investors, usually after selling an investment.
Enclosure	This note's term for the protection the African private equity fund enjoyed because information, access, capital and standing were scarce.
Evergreen fund	A fund with no end date that takes in new money continuously and lets investors withdraw at set intervals, within a limit. Species B in this note.
Evidence ladder	This note's six-step scale of how much a published figure proves, from an exit announced to a net return disclosed.
Final close	The last date on which investors can commit money to a fund being raised.
First close	The first date on which enough money has been committed for a fund to start investing.
Force	One of the nine separate pressures this note identifies as weakening the conventional African private equity fund.
Gate (African fund)	One of the four tests in Section 0 that a fund must pass to count as African in this note.
General partner	The private equity firm that raises and runs a fund.
Harvest period	The years in which a fund sells its investments and returns money to investors.
Investment period	The years, usually about five, in which a fund makes new investments.
Limited partner	An investor that commits money to a fund but does not run it.
Management fee	The yearly fee a general partner charges to run a fund.
Mandate	The rules a fund sets when it is raised about what, where and how it may invest.
Net asset value	The current value of a fund's investments, used to price shares in an evergreen fund.
Portfolio	The set of companies a fund has invested in.
Private credit	Lending to private companies by funds rather than by banks.
Private equity	Investment in shares of companies that are not listed on a stock exchange.
Pro rata	In proportion. When withdrawal requests exceed the limit, each investor receives the same proportion of what they asked for.
Redemption	An investor's request to sell shares back to an evergreen fund.
Secondary market	The market in which investors sell their existing stakes in funds to other investors.
Species	This note's term for a type of fund. Species A is the closed-end fund and Species B the evergreen fund.
Subsumption	This note's term for a force that takes over a function the fund used to perform.
Successor fund	The next fund a general partner raises, usually once most of the current fund has been invested.
Weak signal	An early indication of a change, visible before it shows in market totals. The basis of OFP's foresight method.

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Open Savannah Season is an exploratory thesis note. It sets out a research proposition on structural pressure in the conventional African private equity fund model. It is not a conclusion, a forecast, or an investment recommendation.

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