

Its taken off already

Like cellphones before, its not about if or when, but how much African fintech will grow. In Egypt, PoS device growth is +100%, yet only 2% of payments are digital, with only 300 PoS devices/100k pop, contrasted against Brazil at 8% and 2,500/100k; and Brazil's not standing still! Let us be very clear, African fintech has taken off already, but the steepest part of the adoption curve lies ahead. Convergence of technology, a youthful popn, govt support are underlying drivers. Our process identifies Africa's high quality, fast growing and attractively valued Fintech's. These companies tap the whole population pyramid, generating small, recurring revenue streams, whose profitability increases exponentially with scale.



Cellphone ubiquity points us to the endgame

Cynics asserted that cellphones were a luxury few in Africa could afford. Thanks to cheaper handsets, 80% of Africans have a cellphone, creating tremendous utility for customers and wealth for investors. Financial inclusion, driven by Fintech, banks and telcos, is following a similar pattern. Cellphones have also provided consumers across the whole pyramid with a platform to transact. The enormous opportunity, is for Fintech to bridge the gap between the level of cellphone and digital payment penetration.

	Morocco	Egypt	Nigeria
Cell penetration		VERY HIGH : 70 – 100%	
Internet penetration		MODERATE : 50 – 70%	
Card penetration*		VERY LOW : 4 – 20%	
Digital payments**		VERY LOW : 2 – 30%	

*% of people making purchases with debit/credit card

**% of people making/receiving digital payments

Covid is another key to the lock

The Technology Adoption Curve is tantalizing, but each stage has a lock and finding the key is tricky. Covid provides a key.

- **Lockdowns FORCED first time consumer adoption**, paying for essentials.
- **Lockdowns FORCED services providers onto Payment platforms to reach customers.**
- **Governments leaning in** – Covid can be spread on cash. Specific incentives and regulatory tailwinds.
 - In Morocco, govt surcharge on cash purchases at till.
 - In Egypt, payment of govt employees switched from cash to card, plans afoot to allow pensions to be paid into mobile wallets and promotions for merchant PoS adoption to name a few.
 - In Kenya, electricity smart meters, mobile money and the utility are linked real time. Beats queueing!
- **Remittances direct to mobile money wallet or bank account** – circumventing physical outlets like Western Union, this significant source of income and FX in Africa flowed to local banks, fintechs and telcos.

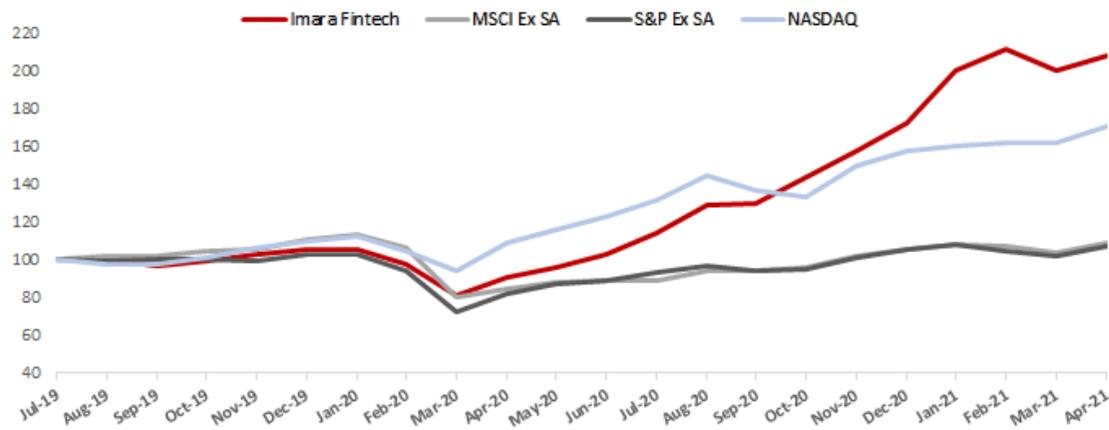
Key portfolio selections

We target high quality companies with scale-able technology, low customer acquisition costs and have long AND wide runways for growth. We also see tremendous value unlock as banks and telcos spin off their fintech arms on substantially higher multiples.

Compelling valuations

Valuations are extremely low relative to international peers. Firstly pure-play Fintech's like Fawry (Bloomberg: FWRV EY) are cheaper than peers on a 2021 PE of 105x vs Square (Bloomberg: SQ US) on 800x, or EV/Rev of 13x vs Adyen (Bloomberg: ADYEN NA) at 63x. Secondly, the hidden value within cheap banks and telcos, which is only just starting to get noticed and appreciated. Investors should get in ahead of the game!

Performance (proforma USD)



Portfolio Fundamentals

2021 Rev gr	45%
2021 EPS gr	50%
2021 ROE	35%
2021 PE	18X
2021 Div Yield	3%
Top 5 - % of NAV	50
Top 10 - % of NAV	86

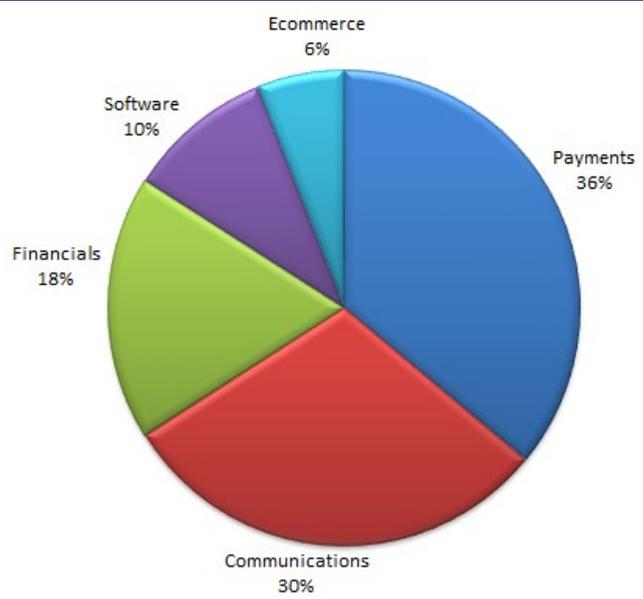
Performance (proforma USD)

	2019	2020	YTD
Imara Fintech	25.1	78.9	21.6
MSCI Africa ex SA	16.6	-4.8	2.9
S&P Africa ex SA	9.0	3.1	1.6
Nasdaq	35.2	43.6	8.3

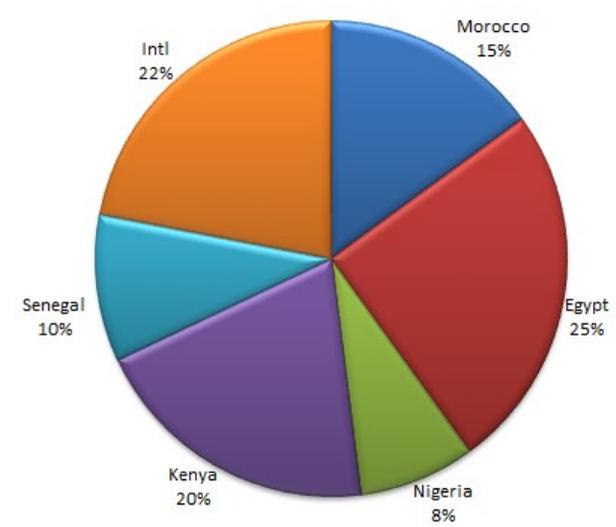
Proposed Fund Information

Portfolio Managers	Tony Schroenn, Rainer Orth
Fund Inception Date	July 2021
Base Currency	USD
Minimum Investment	USD 100,000
Management Fee	1.0% per annum
Performance Fee	15% above MSCI and S&P Africa ex SA +2%
Performance Fee cap	2% of NAV
Custodian	Standard Chartered Bank
Administrator	Apex Fund Services
Auditor	Deloitte
Legal Advisors	Ogier
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Sector Exposure (proforma as at April 2021)



Geographic Exposure (proforma as at April 2021)



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