

The Jacana Venture Partnership aims to expand the provision of growth capital funding and expertise to small and medium-sized enterprises in Sub-Saharan Africa.

OUR THESIS...is that significant amounts of international capital are available for supporting the growth of small and medium-sized enterprises (SMEs) in Africa and that this growth is essential to the economic development of the region. However there is currently a severe lack of qualified intermediaries (i.e. African growth capital investment managers) who have the expertise and track record to act as value-added investors of these funds.

OUR APPROACH...is therefore to invest in and support new and emerging SME growth capital investment managers in Sub-Saharan Africa (SSA) and build the capacity of those growth capital investment managers to the point where they can achieve critical mass in their operations and funds under management.

OUR VISION...is the creation of a sustainable, responsible and robust SME growth capital industry in Sub-Saharan Africa that supports local SMEs, fuels economic growth, creates employment and thereby makes a major contribution to the reduction of poverty in Africa.

OUR MARKET

SMEs are a crucial driver of economic development in Sub-Saharan Africa. Every \$1 invested in an SME generates an additional \$10 in the local community and \$1 of SME finance creates 3 times more jobs than an equivalent investment in microfinance. In order to grow, SMEs need access to both capital and management support, however the availability of growth capital in SSA is limited. Bank loans are difficult to secure, short term and expensive and the private equity industry in SSA is extremely under-developed. Jacana believes that private equity in SSA now represents an attractive investment opportunity. African GDP grew by 1.7% in 2009, vs. -3.4% for the advanced economies. Private equity success stories covering medium-sized investments, like Aureos and Africinvest, demonstrate that it is possible to build successful SME investment operations in emerging markets, however emerging growth capital investment managers ("GCMs") in SSA are generally sub-scale and lacking in experience. Small funds mean a lack of capacity to invest in the breadth and depth of the investment team. Without support, most of these aspiring GCMs (many of whom have real potential) will fail.

OUR APPROACH

Jacana is a socially responsible, for-profit business that invests in new or emerging GCMs and builds the capacity of those Partner GCMs to the point where they can achieve critical mass in their operations and funds under management. Our objective is to select the highest potential Partner GCMs for inclusion in our partnership network and then to work closely with these Partner GCMs to create an attractive investment opportunity for the international investment community. Jacana provides a number of services to its Partner GCMs:

Capacity Building Investment:

Jacana provides strategic investment capital to fund its Partner GCMs in the early stages of their development, when their businesses are not profitable (i.e. when the management fee from their SME fund is too small to cover the costs of the minimum viable team). Typically this investment will take the form of an equity stake in the General Partner of the Fund.

Expertise and Experience:

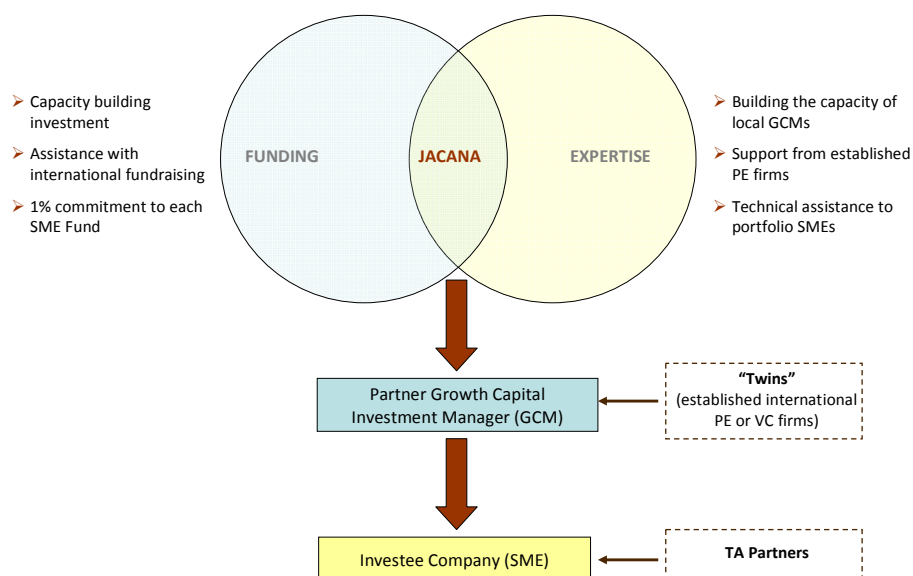
Jacana's particular strength is the combination of its expertise in private equity and its detailed understanding of the business of SME growth capital investment managers in SSA. Key members of our team have several decades of experience in both private equity investment and also the successful establishment and scaling of fund management businesses. Jacana's team acts as an integrated part of the Partner GCM team and provides expertise and experience based on a partnership agreement. The objective is to assist Partner GCMs in building sustainable businesses that can present a strong investment case to Jacana's investment partners. In practice this means: (i) establishing a highly selective and ethical investment framework; (ii) providing management and strategic expertise; (iii) providing high quality management systems and processes within a strong governance framework; and (iv) sitting on the Investment Committee and being involved in all portfolio investment decisions in the early years of the partnership. Jacana's capacity building services are supported by our own team and strategic partners including those with successful fund management start-up experience and leading members of the international venture capital and private equity community who are "twinned" with each Partner GCM.

International Fundraising:

Jacana has a strong network of contacts within the international investment community and has built an investor database which includes DFIs, Foundations, Endowments, Banks, Family Offices, HNWs and NGOs. Jacana takes a leading role in co-ordinating the international fundraising for our Partner GCMs. This creates valuable time for the local fund management teams to focus on building their deal pipelines and executing transactions. Finally, Jacana also invests directly in the funds of the Partner GCMs (on average 1% of the total fund size) in order to demonstrate its commitment to the investment strategy.

Technical Assistance Funding for Portfolio Company SMEs:

Many SMEs in SSA markets lack management capacity. Jacana intends that each Partner GCM should have access to a technical assistance (TA) facility that can provide capacity building grants to potential portfolio companies both pre- and post-investment (e.g. for training, market access studies, legal/accounting expertise, technical sector expertise, etc.).



OUR PROGRESS TO DATE

During 2008 and 2009, Jacana conducted extensive research on the SME investment market in SSA and carried out high level due diligence on a large number of potential GCMs in East and West Africa. In January 2010, Jacana selected its first Partner GCM which is an emerging SME growth capital firm based in Kenya. Jacana is making an investment in the business in order to expand the team to Tanzania and Uganda and is working closely with the local team on the deal pipeline and fundraising.

OUR CORE TEAM

Stephen Dawson (Chairman): a pioneer of the VC industry in the UK 30 years ago. Co-founder of Impetus Trust, a venture philanthropy charity.

Simon Merchant (CEO): an experienced entrepreneur with a background in finance and VC investment.

Connie Helyar (Director) over 30 years' administration, investment and management experience working with major international finance institutions.

Lord Joel Joffe CBE (Director): a philanthropist with a background in human rights law, a successful entrepreneur and former Chairman of Oxfam.

Robert Jenkins (Adviser): founding partner of Phildrew Ventures (1985) with 25 years' SME board level experience.

Rob Pettit (Adviser): background in project management and debt finance across Africa. Based in Dar es Salaam, Tanzania.