

Shikamo East Africa Infrastructure Fund

We seek to build a social equity but for-profit infrastructure growth fund targeting East Africa.

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Description

We have been doing business now in East Africa in other ventures for some time and have come to believe the next big area for investments that will take off is East Africa. Politics have settled down. Workers are motivated and universities are turning out solid graduates--and are improving. The next big steps require capital and management. China has played a key role and will continue to do so, but it is now time for infrastructure to be grown by a hard-working focused team willing to be on the ground in the rural locations where opportunities will burgeon.

Our team leader, Paul Flynn, is half-Uganda and half Irish but has worked extensively in Kenya. He is matched by our second managing director, Ryan Lanham, who brings over six years in a world-leading hedge fund as core experience of casting a cold eye on getting returns and growing businesses.

Problem

East Africa is ripe for investment but lacks capital from wealthy locations that is willing to work with "boots on the ground" to make things happen.

Solution

Between charity and a hedge fund is a zone of an investment firm that can do social enterprise impact investment that is for profit but not driven to exploit and pillage. We are that solution.

User or Customer Base

Small investors who want good returns but who want to impact infrastructure expansion in East Africa.

Competition

Our competition is conventional private equity and, sometimes, NGOs and charities who wish to be involved in infrastructure build-out projects.

Unique Value Proposition

We know the ground, know the investment models, and have a clear vision of what will pay and what will have a real impact on peoples' lives in a positive way. For example, the water infrastructure industry is hopelessly under invested in East Africa. So too is renewable energy.

Channels

We will make direct investments in infrastructure firms, projects and partner with governments in public-private investments. Other areas will include food farms, water treatment facilities, energy generation and similar infrastructure projects that are small scale, can be implemented quickly and have the capacity to rise up to profits fast.

Cost Structure

For the first two years, we intend to pay our investment directors a nominal salary reflecting the social enterprise nature of the project. We believe our total operating costs to incorporate and make initial investments will be well under 100,000 USD in the first year.

We intend to manage our investment portfolio aggressively and to build and train Nairobi-centred business executives who will fan out through the greater East Africa region. We believe a fee of 2% of assets and 15% of profits is a reasonable target for the management but will also seek to make a minimum of 10% annual return for investors.

Revenue

Revenues will be driven by the success of our investments in paying infrastructure. We intend to make debt, equity and partnership investments to grow returns and will target a 10-12% annual return for investors.

Success Metrics

In addition to a 10-12% annual return, we will measure our social impact in realistic and clear metrics and present these to our investors to keep them motivated in our efforts.