



## Deloitte Africa Investment Management Outlook

How Africa is rethinking  
investment management

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In 2025, investment management firms across the globe find themselves in a high stake balancing act of pursuing efficiency, managing risk and hunting for new growth in an increasingly complex environment. For African investment managers, the stakes are higher. But so too is the opportunity. While the global outlook stresses disruption through generative AI, product convergence and fee compression, Africa's narrative carries an added dimension: the prospect of leapfrogging legacy systems and establishing new models that are not just fit for purpose but fit for the future.

When I reflect on the insights that shaped this year's Deloitte Africa Investment Management Outlook, the theme that stands out strongly is that agility is our greatest advantage. Across diverse African markets, the combination of youthful demographics, digital enablement and rising investor sophistication is giving

local managers a unique runway for innovation. Rather than retrofitting outdated frameworks, African firms have the chance to build from first principles. Using these insights, our market is crafting client experiences, digital platforms and investment strategies that speak directly to local market realities.

### **The African advantage**

The *global Deloitte Investment Management Outlook report* highlights three dominant trends, namely the rise of low-cost, tech-enabled investing; the reconfiguration of product strategy through ETFs and private credit; and the transformative role of generative AI. These forces are reshaping how value is created and delivered in the investment management industry worldwide.

In Africa, we are seeing these same trends emerge, but through a different lens.



Fee compression, for instance, is not just about Exchange-Traded Funds (ETFs) outcompeting active funds, but about access. African investors, especially first-time investors and those under the age of 35 years, are demanding affordability, transparency and trust. This is accelerating innovation in digital platforms, white-label solutions and mobile-first distribution channels that cater to previously underserved or informal markets. In many ways, ETFs in Africa are not just a product trend, they are a gateway to broader financial inclusion.

Meanwhile, private credit and alternatives are gaining traction not just because they offer returns, but because they align with the continent's pressing infrastructure, energy and real economy needs. Institutional investors and family offices are looking for ways to deploy capital that delivers long-term societal value alongside financial return. We are seeing increasingly more funds structured around themes like renewable energy, urban development and SME finance, areas where Africa is not only catching up, but increasingly setting the pace.

### **Differentiation through digital transformation and data**

Africa's investment management industry is not immune to the global digital transformation wave, but it faces unique operational and strategic questions. Most rising African players are grappling with how to modernise securely and at scale.

From the digitisation of onboarding processes to the use of advanced analytics in product design and compliance, local firms are taking measured but ambitious steps. What stands out is the appetite for experimentation, particularly around AI.

Unlike more saturated markets where legacy systems can impede agility, African firms are piloting use cases in client segmentation, agentic AI advice, fraud detection and portfolio optimisation. Generative AI is being used for reporting and investor education. However, it is not just about the tools. It comes down to data posture. Success will hinge on the quality, completeness and governance of internal and market data. This is where synergies and partnerships, particularly with fintechs

and telecom providers, are proving essential.

Cybersecurity, of course, is the flipside of this coin. As digital adoption accelerates, so too does exposure to new risks. Forward-looking African firms are already investing in threat detection, identity protection and incident response. In my view, this must become the norm, not the exception. In an era where trust is currency, safeguarding digital integrity is not optional.

### **Moving from patchwork to platform**

One of the persistent challenges in African investment management is regulatory inconsistency. Fragmentation across markets can slow down cross-border investment flows, increase compliance burdens and constrain product innovation.

Increasingly, I am seeing encouraging shifts. In East and West Africa, regulators are starting to explore sandbox approaches, digital asset frameworks and ESG reporting guidelines. There is growing recognition that agile, risk-based regulation, not just compliance for its own sake, can be a growth enabler.

Regulation must evolve to support new vehicles like ETFs, digital assets and sustainability-linked products. Without clear guidance, both providers and investors face uncertainty. This is an area where pan-African dialogue, capacity building and knowledge-sharing between regulators and market participants can pay enormous dividends and accelerate consistent regulatory application.

### **Shifting investor expectations and behaviour**

We are witnessing a generational shift in how African investors think about wealth. Risk appetites are evolving, especially among younger investors who are more open to equities, alternatives and tech-enabled platforms. There's also rising interest in sustainability and impact, although definitions remain fluid and education remains critical.

Investor education, in fact, is arguably one of the most important pillars for market development. Without a solid understanding of risk, liquidity and long-

term investment strategy, even the most innovative products will struggle to gain traction. In my view, investment managers have a dual role as both stewards of capital and stewards of trust and knowledge.

Partnerships with universities, media and fintechs are helping to fill this gap. However, more needs to be done at an accelerated pace. Client-centricity in Africa must go beyond digital access. It must be rooted in understanding, empowerment and culturally relevant communication.

### **Strategic priorities for African investment managers**

As we look ahead to 2030, there are three strategic priorities for African investment managers:

- 1. Build scalable digital infrastructure now.** Legacy-light markets are a competitive advantage. Invest in modular platforms, data strategies and integrated client journeys that allow for scale without complexity.
- 2. Adopt a broader definition of value.** Returns matter, but relevance matters more. Align product strategy to African development priorities, such as infrastructure, climate change and entrepreneurial finance.
- 3. Think ecosystem, not silo.** The future will be shaped by partnerships that are agnostic of sectors, borders and technologies. From blending traditional and alternative investments to partnering with telcos and insurers, collaboration will unlock new value chains that benefit African markets.

### **Afro-centric solutions will win**

Africa is home to some of the most entrepreneurial populations and fastest-growing economies in the world. The continent's leading firms are not waiting for precedent. They are building, testing and scaling on their own terms.

For investment managers, local and global alike, this is a story of convergence. Africa is where boldness, purpose and innovation meet, and where the next chapter of global investment management innovation may well be written.



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