

**FEATURE: Craig Beney, Convergence Partners**

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**SAVCA: What attracted you to the private equity industry, in particular Africa, and how did you arrive at Convergence Partners?**

**CB:** I have personally been interested in the private equity industry since my time in the United Kingdom, where I was an Admissions Officer for the then Investment Management Regulatory Organisation (IMRO), now incorporated under the Financial Services Authority. I was exposed to investment managers, unit trust managers, hedge fund managers; most intriguing to me were the private equity fund managers, who appeared to be performing the most tangible form of investing.

In 2005 I started a venture in Cape Town with two partners, focused on the bank-replication model and providing innovative home loans and full banking-type services to the underbanked middle class. Although it launched, backed by a R1 billion funding facility from a major bank in South Africa, it stumbled as a result of the collapse of the debt capital market during the 2008 credit crisis, which ultimately put paid to this business model.

This entrepreneurial spirit, together with my passion for private equity and for adventure travels in Africa, directed me to finding a home with Convergence Partners.

**SAVCA: Convergence Partners has had on-balance sheet activities in the ICT space since 2007; why the interest in a third-party managed fund?**

**CB:** Convergence Partners has since 2006 had a strong focus and deep skill set in the ICT space, emphasised by the passion of the Chairman, Andile Ngcaba, and of the co-founding partners Brandon Doyle, Stefan Ferreira and Idan Segal.

Having established a strong investment balance sheet, the drive was to leverage this financial strength into a fund, and to raise third-party funds, in order to enable us to participate more meaningfully in the opportunities in open-access ICT wholesale network infrastructure across Africa.

US\$30m of the investment balance sheet of Convergence Partners was committed to the fund, with further capital commitments raised from the likes of IFC, EIB, FMO and CDC. PIC and DBSA were strong supporters of the South African fund vehicle, helping to take the total capital available to Convergence Partners to US\$200m.

**SAVCA: Why does Convergence Partners employ a niche investment strategy, with the focus on ICT?**

**CB:** The deep skills set which Convergence Partners has in the ICT sector enables us to take an active approach to our investments – an approach that is built on the understanding that value creation results from vertical as well as horizontal growth strategies.

We believe this is made possible by cultivating industry skills within our network, by assessing changes in the ICT regulatory landscapes and by understanding the different regional economic drivers.

Further, being a specialist sector investor gives us access to high-quality investment opportunities; with strong post-investment management we are able to generate attractive returns. Finally, by changing the ICT landscape, Convergence Partners intends to be a catalyst for strong, sustainable growth in Africa.