

Yield Uganda Investment Fund makes maiden investment in soy processing company

The Yield Uganda Investment Fund, set up with financing from the European Union and National Social Security Fund Uganda (NSSF) and managed by Pearl Capital Partners (PCP), has made its maiden investment in Uganda, committing Ushs 1.6 billion to Sesaco Ltd, a soy processing company. The investment aims at improving the company's production facilities while stabilising and preparing the business for a larger expansion and growth in the future. As part of Yield Fund package, Sesaco Ltd will enjoy benefits from Business Development Support to the technical and governance aspects of the business.

Sesaco Ltd. is a family-owned company located in Kyengerera Town, near Kampala. It processes, packages and sells several high-protein soy products, including soy cup, soy maize and soy millet flours which have various nutritional benefits. NGOs and institutions which provide food to underprivileged and malnourished persons, including refugees, are part of Sesaco's major customer base. "We are excited to have Yield Fund first believe and then invest in our business. Their commitment to supporting the agribusiness sector in Uganda will be encouraging to many. We also look forward to an interesting relationship with the PCP team which has considerable experience investing in agribusinesses in the entire East African region" said Sesaco's founder and CEO, Mr. Charles Nsubuga.

The European Union Ambassador H.E. Attilio Pacifici expressed satisfaction with completion of the Fund's maiden investment.

"The first investment of Yield Fund marks an important milestone. It is the result of continued efforts and commitment from the European Union to support the agribusiness sector by lowering the cost and risk of investment. In accessing long-term capital needed for the modernisation and expansion of their business, Sesaco is expected to create jobs and contribute to Uganda's economic growth", he said.

The International Fund for Agricultural Development (IFAD) is involved in the management of Yield Fund. Its Country Manager Alessandro Marini said "IFAD is pleased with this first investment of Yield Fund to Sesaco. The vision of the company to expand its network of smallholders and improving nutrition offering in the country is a journey that we are happy to support. IFAD is keen to support the local agro-SMEs, like Sesaco, who provide a positive impact proposition and clear linkages and markets to the smallholder farmers of Uganda".

Dr. Edward Isingoma Matsiko, PCP Partner responsible for the transaction said: "Sesaco is a story of hard work, commitment and passion. With this investment of Yield Fund, we believe the company will be able to modernise its operations and increase efficiency. The business has enormous growth potential: with increased production from farmers who will benefit economically from soy farming and better internal operations, Sesaco will deliver a greater product to the Ugandan consumer. We are delighted to spearhead the company's growth in this first phase of our investment."

About Yield Uganda Investment Fund ¹

The Fund was launched in January 2017 with commitments of €12 million, anchored by €10 million from the European Union (EU) through the International Fund for Agricultural Development (IFAD), and €2 million committed by National Social Security Fund Uganda (NSSF). The Fund offers innovative financial products such as equity, semi-equity and debt funding. Additionally, an integral and complementary part of the Fund's investment process will be used to support the operations of its investee companies through matching grants for Business Development Support (BDS) funded by the EU.

About the European Union ²

The European Union (EU) is a political and economic union of 28 Member States. They decided to link together their know-how, resources and destinies. Together, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms.

The EU is committed to sharing its achievements and values with countries and peoples beyond its borders. And in fact, over half of all development aid comes from the EU and its Member States, making them collectively the world's largest aid donor. Most aid goes to low-income and least developed countries.



Sesaco Limited – Packaging of Customer Product

About National Social Security Fund (NSSF) ³

The National Social Security Fund (NSSF Uganda) is a National saving scheme mandated by Government through the National Social Security Fund Act, Cap 222 (Laws of Uganda) to provide social security services to employees in Uganda. NSSF Uganda is a Provident Fund and covers employees in the private sector. The Fund is a contributory scheme and is funded by contributions from employees and employers of 5% and 10% respectively of the employee's gross monthly wage. Since 2012, the Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while Minister of Finance, Planning and Economic Development is responsible for policy oversight.

The Fund manages assets worth over UGX 9 trillion invested in Fixed Income, Equities and Real Estate assets within the East Africa region.

About IFAD ⁴

The International Fund for Agricultural Development (IFAD) invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, IFAD has provided about US\$18 billion in grants and low-interest loans to projects that have reached some 462 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

About Pearl Capital Partners ⁵

Pearl Capital Partners is an independent investment management company domiciled and licensed in Mauritius. Since its formation in 2005, PCP has made investments in 37 agribusinesses in 7 Sub-Saharan countries under the four funds it manages, with a value of funds under management of over US\$ 50 million.

1. http://pearlcapital.net/documents/yield_teaser.pdf 2. <https://europa.eu/> and https://eeas.europa.eu/delegations/uganda_en 3. www.nssfug.org 4. <https://www.ifad.org> 5. www.pearlcapital.net