

PRIVATE
EQUITY

Private markets go mainstream as Uganda still builds the basics

Private markets must first fix exits and currency risk before scaling, or risk importing global weaknesses into a fragile ecosystem.

Markets.

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Private markets are opening up, just as the story around them is getting harder to sell.

For years, they carried quiet authority. The best opportunities were not listed, not priced daily, and not easily accessible.

Value was created in private, and returns appeared smoother than in public markets. That distance from scrutiny was part of the appeal.

Now that the model is shifting, global asset managers such as BlackRock, Apollo, Blackstone, KKR, and Carlyle are pushing private markets toward a wider audience, redesigning products to reach wealth managers, retirement accounts, and individual investors.

Private credit alone has grown to about \$1.7 trillion globally. But traditional investors are no longer deploying capital as easily. Exits have slowed, with IPOs and deal-making remaining weak.

In Africa, by the first half of 2023,

just 51 private equity exits were recorded against 427 investments, according to the Africa Venture Capital and Private Equity Association.

With less money coming back, investors have limited room to commit new capital, slowing the entire cycle.

So the industry is turning to retail investors, but at a more complicated moment. Higher interest rates have made bonds attractive again, while private equity firms are struggling to exit at strong valuations. This has increased scrutiny around how assets are valued and how risks are structured.

The risks are not theoretical. In 2016, Catalyst Principal Partners invested Ksh1.2b in Britannia Foods, only to later find the company was worth about Ksh126m.

A forensic review revealed inflated revenues and margins; and by 2021, the firm had collapsed under debt.

The pattern is becoming clearer: assets that appear stable in private markets can deteriorate quickly, and when they do, valuations can fall sharply.

Private markets are moving from a



Key data

72%

About 72 percent of investors rely on development partners, meaning capital often comes with external conditions that do not reflect local realities.

period of easy confidence to one of closer inspection, just as they are opening up to a broader investor base.

In Uganda, the markets are still trying to make private capital work effectively.

A September 2025 study by Financial Sector Deepening Uganda and the East Africa Venture Capital and Private Equity Association describes the market as "nascent but growing," but constrained by structural barriers.

One major issue is, capital exists, but it does not align with business needs. Investors prefer growth-stage firms, while many Ugandan businesses are still early-stage, limiting deal flow.

This mismatch is compounded by the source of funding. About 72 percent of investors rely on development partners, meaning capital often comes with external conditions that do not reflect local realities.

Currency risk adds another layer. Most investments are in dollars, while businesses earn in shillings, shifting exchange rate risk onto companies. At the same time, weak financial data and due diligence challenges make deals harder to price and close.

The biggest constraint, however, is ex-

its. Uganda has limited pathways for investors to realise returns. Public markets are shallow, buyers are few, and secondary deals are rare. Capital can enter, but leaving predictably remains difficult.

That slows the entire system. Longer holding periods make investors more cautious, tightening the cycle further. Meanwhile, local institutional investors continue to prefer government securities yielding up to 17 percent, leaving private markets dependent on foreign capital.

Even deal-making capacity is limited, with few intermediaries experienced in structuring equity transactions.

Taken together, Uganda's private markets exist, but do not yet move easily. And that is where the global moment matters.

As private capital expands globally under pressure, Uganda faces similar challenges at an earlier stage. The foundations, currency stability, exit pathways, reliable data, local capital and deal readiness are still being built.

Expanding access before fixing them risks amplifying the very weaknesses now emerging globally.