Architect of liquidity: Semakula on redesigning Ugandan wealth

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BY DEOGRATIUS WAMALA

Finance stories usually begin with a product launch, a balance sheet, or a bold claim about "innovation." This one begins with a more awkward truth: Ugandans have always invested; they just haven't always invested efficiently.

For decades, the Ugandan investment psyche has been tethered to the tangible. We invest in land because it feels permanent, in cattle because they are visible, and in buildings because we can touch the proof.

The trouble is that much of this "traditional" investing is a trap and expensive to enter, slow to exit, nearly impossible to diversify, and prone to social myth. In the cold language of economics, it is a cycle of illiquidity and high transaction costs. Then, a bank decided it wanted to be more than a bank.



Mr Grace Semakula, the chief executive of SBG Securities. PHOTO/COURTESY

The logic of architecture

SBG Securities, an investment subsidiary under Stanbic Uganda Holdings Limited (SUHL), arrived as part of a wider corporate redesign that gathered pace around 2021.

This wasn't just a branding exercise; it was an architectural shift. Stanbic's banking business was reorganised into a holding company structure, spinning off specialist arms like the Stanbic Business Incubator, FlyHub, and Stanbic Properties Limited.

The logic was simple but profound: once a bank's ambition expands beyond deposits and loans into brokerage and asset management, the rules of the game change.

...arkets require a different liquidity ...curities.

In economic terms, this is institutional evolution where form follows function. As clients demand brokerage, collective investment schemes (CIS), and retirement mandates, firms must reorganise to deliver them legally and efficiently.

Mr Semakula sits at the centre of this redesign. Having taken a leadership role in March 2021 before ascending to CEO in March 2024, his career represents a rare "triple-threat" perspective: he has lived the market from the sell-side, the buy-side, and corporate finance.

Career built in three markets

Mr Semakula's story begins at the bro... ...ars, he

THE NUMBERS

Shs540b

Assets. By December 2025, the assets of Stanbic Unit Trust Fund under management reached Shs540 billion, a fourfold increase in just one year.

Shs535.3b

Money raised. SBG served as the sponsoring broker for the MTN IPO in 2021, which raised Shs535.3 billion and the MTN 2024 selldown, which was 52.4

"Brokerage is where you learn that markets aren't rational calculators; they are narratives with price tags," he notes. You learn how sentiment turns, how liquidity vanishes, and how retail investors often move on rumours while institutions move on mandates.

From there, he joined the National Social Security Fund (NSSF), moving from analyst to portfolio manager.

If brokerage is about adrenaline, pension funds are about intertemporal choice and the national act of trading present consumption for future security. Working alongside peers like Aeko Ongodia (Xeno) and Moses Lutalo (Broll), Mr Semakula describes the NSSF era as a "rigorous training base".

A subsequent eight-year detour into corporate finance and investor relations at Umeme rounded out his perspective. There, he learned the art of signalling: how a listed company translates its internal strategy into market confidence.

When he returned to the investment industry via SBG, he arrived knowing exactly how market institutions behave and how they misbehave.

Beyond the banking wall

Banks are masters of maturity transformation, borrowing short (deposits) to lend long (loans). But modern clients want wealth tools: insurance, equity markets, and retirement planning.

SBG Securities is the solution to this coordination problem. It keeps the bank doing "banking" while allowing investment functions to scale under a specialised rulebook. It is a bet on financial deepening: the process by which household savings move into productive, liquid, and diversified assets.

The results are already visible. Initially focused on equities, SBG quickly became the largest broker by value on the Uganda Securities Exchange (USE), with a 39 percent market share in 2025 and an average of more than 48 percent over the last few years.

But brokerage is just the entry point. In 2021, SBG secured an asset management licence. By June 2024, they launched the Stanbic Unit Trust Fund. By December 2025, assets under management (AUM) reached Shs540 billion, a fourfold increase in just one year.

A unit trust might be less glamorous than an Initial Public Offering (IPO), but it is more consequential. It lowers the barrier to entry and delegates the complex monitoring of rates and duration risk to professionals. It is the institutional answer to information asymmetry.

MTN Effect, politics of trust

In recent history, the MTN IPO (2021) ...timate tests of market ... as the sponsoring broker for both.

The 2021 IPO was a structural inflection point, raising Shs535.3 billion.

The 2024 selldown, which was 52.4 percent oversubscribed, reinforced investor confidence in the telecom sector. Mr Semakula points to the eIPO process, which brought in more than 20,000 new investors, as the real victory.

"The sponsoring broker is the conductor," Mr Semakula explains.

He adds: "Making sure regulatory submissions land on time, institutional sales are coordinated, and the transaction doesn't die of administrative failure."

Technology: The feedback loop

The conversation shifts to regional innovation, such as Safaricom's Ziidi Trader in Kenya, which allows share trading via M-Pesa. While such tools increase volume rather than immediate capital value, Mr Semakula sees them as essential "Stage One" infrastructure.

"East African equity markets have a structural weakness: retail participation is low because barriers in terms of paperwork, distance, time are high," he says.

Mr Semakula adds: "Technology reduces friction. Market thickness begets market thickness. A broad base creates liquidity. Liquidity lowers the cost of capital, and lower costs attract more listings."

The great reallocation: From dirt to data

Perhaps the most significant trend Mr Semakula identifies is the shift away from property. As inflation cooled to around 2.6 percent, real yields (bond yields minus inflation) on certain tenors sat at a staggering 12 percent.

"When a low-inflation environment combines with high nominal yields, financial assets begin to compete aggressively with land," he explains.

However, this has led to a new challenge: bond concentration. With several portfolios holding 90 percent in government securities, I ask if we are merely trading one "safe" trap for another.

"Concentration creates risk," Mr Semakula admits, adding: "Even government securities carry duration risk. But the solution isn't moralising fund managers; it's expanding the menu. We need more listings, REITs, and deeper secondary markets."

The road to oil

As Uganda approaches the era of oil production, the fiscal story will shift again. While yields have softened post-election, Mr Semakula isn't focused on "election premiums". He is looking at the long game.

"Oil may change the fiscal story, but it won't erase risk pricing. Markets don't stop being markets," Mr Semakula concludes.

For the everyday Ugandan looking to build a legacy, his advice remains grounded in the fundamentals he learned back in 2006.

"Yields matter less than behaviour. The real power is consistency, allocating regularly, building over time, ...letting the money compound."

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