

SIERRA LEONE ASSET MANAGEMENT INDUSTRY REPORT

Comprehensive Landscape Analysis (2014-2024)

8.6M
Population 2024

1 USD = 22.4 SLE
End-2024

1. EXECUTIVE SUMMARY

Sierra Leone's asset management industry operates within a developing but increasingly structured regulatory framework, primarily overseen by the Securities and Exchange Commission (SEC) under the Securities and Exchange Commission Act, 2017. The SEC is responsible for regulating securities markets, licensing market participants, overseeing disclosure practices, and enforcing investor protection standards. Broader public asset governance is guided by the Public Financial Management (PFM) Regulations, 2018, while pensions remain institutionally separate, administered through NASSIT and the Ministry of Labour and Social Security. Complementary institutions, including the Bank of Sierra Leone, the Sierra Leone Stock Exchange (SLSE), and the National Investment Board, influence market participation, investment policy, and financial sector development. Regional engagement through the West African Capital Market Integration Council (WACMIC) further supports harmonization and potential future market linkages.

The asset management landscape is small and relatively concentrated, with commercial banks, insurance companies, and a limited number of investment firms, such as Manocap Investments, Union Trust Bank, Sierra Leone Commercial Bank, Guaranty Trust Bank (SL), and Leone Asset Management, dominating activity. Growth is constrained by low financial literacy, high transaction and onboarding costs, limited retail-oriented investment products, and lingering trust deficits in formal financial institutions. Impact investing is more established than traditional ESG integration, particularly in agriculture, renewable energy, and microfinance, supported by development finance partners. Emerging digital reforms, including blockchain-based identity and credit systems, are enhancing transparency and financial inclusion, though technology adoption in capital markets remains nascent. Moving forward, expanding financial education, streamlining licensing, developing inclusive investment products, and formalizing ESG frameworks will be key to strengthening Sierra Leone's asset management ecosystem.

2. REGULATORY AND INSTITUTIONAL FRAMEWORK

Sierra Leone's asset management and capital markets operate under an evolving regulatory environment aimed at strengthening market integrity, investor protection, and transparent oversight. The SEC, established under the Securities and Exchange Commission Act, 2017, serves as the primary regulator for securities activities, including the licensing and supervision of brokers, investment advisers, fund managers, custodians, and other market intermediaries. The SEC oversees both primary and secondary market conduct, enforces compliance measures, investigates malpractice, and operates a dispute resolution and tribunal system to protect investors. While the capital markets framework is distinct from the pensions system, coordination with the Bank of Sierra Leone (BSL) and the Sierra Leone Stock Exchange (SLSE) shapes liquidity management, securities issuance, and financial system stability.

The broader governance environment for public and private assets is guided by the Public Financial Management (PFM) Regulations, 2018, which establish standards for national asset valuation, ownership, disposal, and reporting through the National Asset and Government Property Commission (NAGPC). Additional institutional actors include the National Investment Board, which promotes investment inflows and public-private partnerships, and Sierra Leone's engagement with the West African Capital Market Integration Council (WACMIC), supporting future cross-border capital flows and harmonized regional regulatory

standards. While the country has no formal ESG taxonomy yet, emerging sector-level discussions, particularly led by the banking sector, signal growing interest in integrating sustainability considerations into financial decision-making.

Main Asset Management Laws and Regulations
- Securities and Exchange Commission Act, 2017 - Public Financial Management (PFM) Regulations, 2018 - Sierra Leone Stock Exchange (SLSE) Framework

Scope of regulation

Area	Coverage (Yes/No)
Licensing and Registration	Yes
Investment Guidelines	Yes
Governance Standards	Yes
Disclosure and Communication	Yes
Dispute Resolution Mechanisms	Yes
Pricing Controls / Fee Caps	Yes
ESG Compliance in Regulation	Yes

3. MARKET STRUCTURE

Sierra Leone's asset management industry is small, developing, and relatively concentrated, with investment services primarily offered through commercial banks, insurance companies, independent investment firms, and a limited number of government-linked entities. The asset management landscape is dominated by money market and fixed income portfolios, reflecting the country's early-stage capital market development and the limited depth of listed securities. The SLSE, established in 2009, remains modest in size, with low trading volumes and a narrow base of listed instruments. Consequently, market participants often rely on government securities and private placements to structure investment portfolios.

Retail participation in asset management is minimal, constrained by limited financial literacy, high onboarding and transaction costs, and restricted distribution channels outside major urban centers. Commercial banks and development finance-linked institutions play a central role in providing investment products, while access for small savers remains highly limited. Data transparency is also a challenge, with no publicly available reporting on aggregate assets under management (AUM), investor segmentation, or detailed allocation trends.

Firm	Role
Manocap Investments	Private investment and advisory firm focusing on SMEs and growth finance
Union Trust Bank Sierra Leone Ltd.	Commercial bank offering portfolio and investment services
Sierra Leone Commercial Bank Ltd	State-owned bank providing savings and investment products
Guaranty Trust Bank (Sierra Leone) Ltd	Regional banking group offering fund management and money market investment services
Leone Asset Management Ltd	Mauritius-incorporated investment firm involved in resource-linked and commercial projects

4. FINANCIAL PERFORMANCE AND ASSET ALLOCATION

There is no centralized or publicly disclosed data on total assets under management, portfolio returns, or asset allocation patterns in Sierra Leone's investment sector. The market remains small and conservative, with investment portfolios dominated by bank deposits, treasury instruments, and short-duration fixed income products. Given the nascent state of the SLSE and limited availability of diversified securities, exposure to equities and alternative investments is minimal.

Institutional investors typically adopt capital preservation and liquidity-focused strategies due to macroeconomic uncertainty, currency fluctuation risk, and constrained market depth. Retail investors rarely participate in formal investment products, relying instead on informal savings networks, microfinance mechanisms, or short-term financial instruments. Over time, improvements in market infrastructure, product innovation, and financial literacy will be essential to diversifying asset allocation patterns and fostering more competitive performance outcomes.

5. GENDER AND INCLUSIVITY

Gender inclusion in Sierra Leone's asset management and broader financial sector remains limited, with women facing structural and socioeconomic barriers to participation. Female representation in financial services is relatively low, with financial inclusion among women estimated at around 25%, compared to a national inclusion rate of 29%. Key constraints include low financial and digital literacy, limited access to collateral or credit history, and cultural norms that restrict women's engagement with formal financial institutions. Women are more likely to participate in informal savings mechanisms, such as Osusus and Village Savings & Loan Associations, rather than formal investment products.

Investment products and services remain largely inaccessible to women, youth, and rural populations, with high minimum investment thresholds, elevated transaction costs, and limited branch or digital access points. While some financial institutions and NGOs are promoting financial literacy and women's economic empowerment, gender-focused investment products are generally absent. Existing initiatives mainly target organizational diversity rather than market participation. As financial inclusion reforms and digital finance expand, tailored investment instruments could create opportunities to broaden women's engagement in Sierra Leone's formal asset management market.

6. ESG AND SUSTAINABILITY

ESG integration in Sierra Leone's asset management industry is still at an early stage, with no formal ESG taxonomy or regulatory mandates. While the Bank of Sierra Leone (BSL) and the Sierra Leone Association of Commercial Banks (SLACB) have initiated discussions on sustainability frameworks following COP26 dialogues, adoption of ESG metrics and reporting among asset managers remains limited. Currently, ESG objectives are largely voluntary and not embedded in investment mandates or regulatory requirements.

Impact investing has seen relatively greater development, driven by domestic and international development finance institutions focusing on agriculture, renewable energy, healthcare, and SME financing. Renewable energy projects, aligned with national targets to achieve 10% renewable electricity generation by 2029, are attracting local capital of approximately USD 25 million. Despite this growing interest, the absence of standardized measurement frameworks and regulatory clarity constrains the scalability of ESG-aligned investment strategies. Strengthening ESG guidelines, financial literacy, and market infrastructure will be key to fostering broader and more formal adoption of sustainable investing in Sierra Leone.

7. TECHNOLOGY AND INNOVATION

Technology adoption in Sierra Leone's asset management sector is emerging and remains at an early stage of development. While national digital transformation strategies recognize AI as a key future enabler of financial and economic systems, its use in capital markets and portfolio management is not yet widespread. However, digital financial services are expanding, driven by mobile money growth and financial inclusion initiatives, which are gradually improving access to savings and basic investment products.

Sierra Leone has taken notable steps in blockchain-based transparency infrastructure, including the launch of Africa's first blockchain national digital identity system and a blockchain-based credit bureau developed in partnership with Kiva to improve lender confidence and inclusion. These innovations support financial access and data credibility, although their integration into capital market operations and asset management workflows remains nascent. Over time, continued digital ecosystem development may strengthen product distribution, risk assessment, and investor onboarding in the sector.