



PRESS RELEASE – 9 December 2019

ASN Microfinance Fund invests into TCX Promoting a fair and sustainable world

The Currency Exchange Fund (TCX) is pleased to announce that the ASN Microfinance Fund has invested around USD 10 million into TCX. This capital from a new shareholder will further strengthen the capacity of TCX to provide currency hedge solutions for impact investments across Africa, Asia, Eastern Europe and Latin America.

These investments, that range from financing Microfinance and SME activities to large scale infrastructure deals providing on- or off-grid renewable energy, are currently primarily financed in hard currencies (such as USD or Euro); whereas, they typically earn their revenues in local currencies. Hard currency financing thus makes these projects and their end users vulnerable to currency depreciations.

Currency fluctuations have been a major risk and impediment for new investments in emerging and frontier markets, as they can impose heavy costs on local populations and utilities.

Ruurd Brouwer, CEO of TCX: *“We are delighted to have strengthened the relation with ASN from an active customer to a new shareholder that believes in TCX Fund’s strategic objectives and mission. In these times of trade wars and volatile commodity prices, currency risk is a major problem in developing countries. The devaluation of their currencies can have devastating effects on the households, financial institutions and governments that have borrowed in hard currency. Today’s practice to offload this risk onto the shoulders of clients in developing countries can and should become a problem of the past. ASN Microfinance Fund, by partnering with TCX plays a pivotal role in protecting their clients from this risk, and in doing so stabilizes the financial system in frontier markets.”*

Background information

ASN Microfinance Fund is part of ASN Investment Funds which is committed to a fair and sustainable society. In all its activities, ASN considers climate and the environment, vulnerable communities and future generations.

TCX is a global development finance initiative which offers long term currency swaps and forwards in 80+ financial markets where such products are not available or poorly accessible. The Fund started operations in 2007 and has since then provided hedging instruments with a total volume of more than USD 7 billion, spread over 3000 transactions. Today the fund has a total exposure of almost USD 4.5 billion on 55 frontier market currencies. By ‘selling’ this exposure it creates markets and gives frontier countries access to the international capital market.

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