



PRESS RELEASE – 10 July 2020

## **Enabling Microfinance Fund (EMF) invests in TCX, promoting a fair and sustainable world**

The Currency Exchange Fund (TCX) is pleased to announce that Enabling Microfinance Fund (EMF) has invested USD 5 million in TCX. This capital from a new shareholder will further strengthen the capacity of TCX to provide currency hedge solutions for impact investments in frontier markets.

This investment will catalyze access to local currency capital where it is needed most and promote financial inclusion to people in developing economies currently overlooked by the financial system.

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 the Enabling Microfinance Fund (EMF) as a new shareholder, believing in TCX Fund’s strategic objectives and mission. In these times of COVID and economic crisis, currency risk is more than ever a major problem in frontier markets. The devaluation of their currencies can have devastating effects on households, micro & small enterprises and financial intermediaries. Today’s practice to offload this risk onto the shoulders of clients in these countries can and should become a practice of the past. EMF, by partnering with TCX, can now protect their clients from this risk, allowing them to focus on building a sustainable business, free from currency risk.”*

*Charles Olson, Managing Partner at Enabling Qapital Ltd.: “In the emerging and frontier markets where we work, TCX provides a vital service to impact investors like the Enabling Microfinance Fund (EMF). We are extremely grateful to be able to partner with such a stable and experienced organization, as TCX can provide local currency solutions to inclusive finance institutions around the globe. By hedging local currency risk with TCX, we are able to shift currency risk away from vulnerable populations, allowing them to focus their efforts on their families and livelihoods.”*

### **Background information**

Enabling Qapital Ltd. (EQ) is an Impact Investment Advisory Company with strong ties in the impact investment sector, deep expertise in finance, and a proven investment management track record. Enabling Qapital has built an innovative, state-of-the-art approach to investing with impact. By joining forces, the Founding Partners have combined a unique set of skills that combine to a 100+ year successful track record. EQ is the exclusive advisor to the Enabling Microfinance Fund (EMF).

Enabling Qapital has a global footprint with teams based in Switzerland, Liechtenstein, Africa, Central Asia, East Asia and Latin America. The key strength of EQ’s business model is its people – combining a local presence in the regions where they work with experienced Investment Officers who originate, execute and monitor impact investments.

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' parts of this exposure it creates markets and gives frontier countries access to the international capital market.

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