

# African Local Currency Bond Fund (ALCBF)

Fund Manager: LHGP Asset Management



The ALCBF promotes primary corporate bond issuances in local currency by working with African issuers, investors, and intermediaries to bring new deals to market. The Fund does so by acting as an anchor investor and through technical assistance, investing in transactions where the ultimate beneficiaries are low-income households and MSMEs. Focus sectors include financial inclusion, infrastructure, agriculture, housing, education, healthcare, and renewable energy.

## OUR INVESTMENT

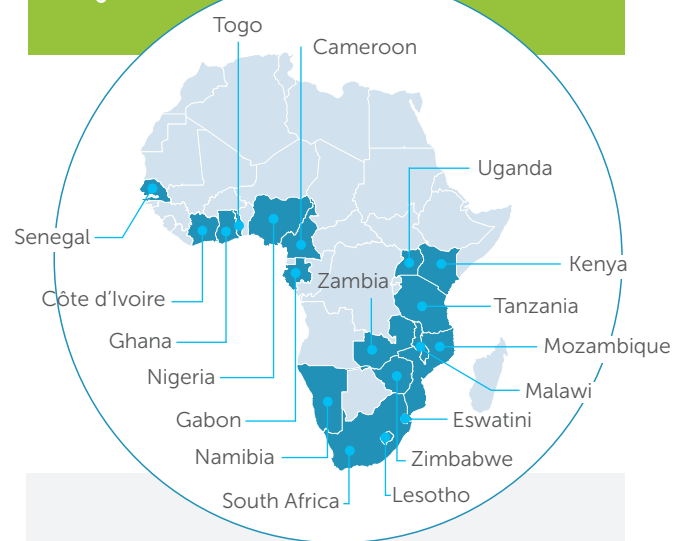
- Our equity and debt enabled the fund to leverage debt funding from a range of providers in the market, and supported LGHP and the anchor investor KFW, to establish a fund that now stands at USD 118.8 million outstanding portfolio.
- The ALCBF provides technical assistance to African issuers, investors, and intermediaries and acts as an anchor investor in local bond issuances.
- The grant supports knowledge development and dissemination among donors, issuers, and investor communities to inform bond market development strategies and roadmaps.

## Deepening Africa's local currency bond markets

 **Sector**  
Capital Markets

 **In portfolio since**  
2017

 **Countries covered**



### Our role

**COMMITTED CAPITAL:**

**£16.15 M**

### INSTRUMENT

Equity and Debt investment of

**£15.3 M**

Grant of

**£0.85 M**



## MARKET DEVELOPMENT

- The investment addresses the underdevelopment of local currency bond markets in Africa. The fund contributes to improving access to long-term funding for issuers in green infrastructure, renewable energy, agribusiness, manufacturing, financial and other service sectors, as an alternative source of funding from the traditional short-term loans and overdrafts increasing the volume bond transactions and crowding in of local currency long term finance.
- Based on the ALCBF 2021 impact report, since inception the fund has attained a multiplier of USD10.1 for every dollar invested, and the funds issuers have raised funding from a total of 4,370 investors.
- With improved financial capacity of local issuers and better data for investors the fund has been able to support investments in developmental sectors including affordable housing, green infrastructure, MSME finance, and agriculture, as well as reduce forex currency exposure of its borrowers, and improve the affordability of funding.

*"We value the longstanding commitment of FSDAi to the ALCB Fund. Our shared objectives, including the development of African capital markets, has supported many businesses and low-income households across the continent."*

**Brock Hoback,**  
LHGP Asset Management  
(Fund Lead to ALCBF)



## IMPACT TO JUNE 2022



# 5 M

Customers given access to basic services through ALCBF investments in renewables



# 70

#Bonds issued to date

USD

# 1,840 M

Private sector co-investment mobilized



# 3.7 M

Individuals and MSMEs provided with improved access to financial services



# 220 M

Value of Bond investments to date



# 1.6 M

Households connected to clean energy distributors via ALCBF investments



### INVESTEE CONTACTS

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