



## ACP Private Equity Fund portfolio



# Mandates & Objectives

## Mandate

- ACP: Investment Facility funded through EDF (+€3 billion revolving facility, max. 20% equity)

## Objectives

Blended framework of

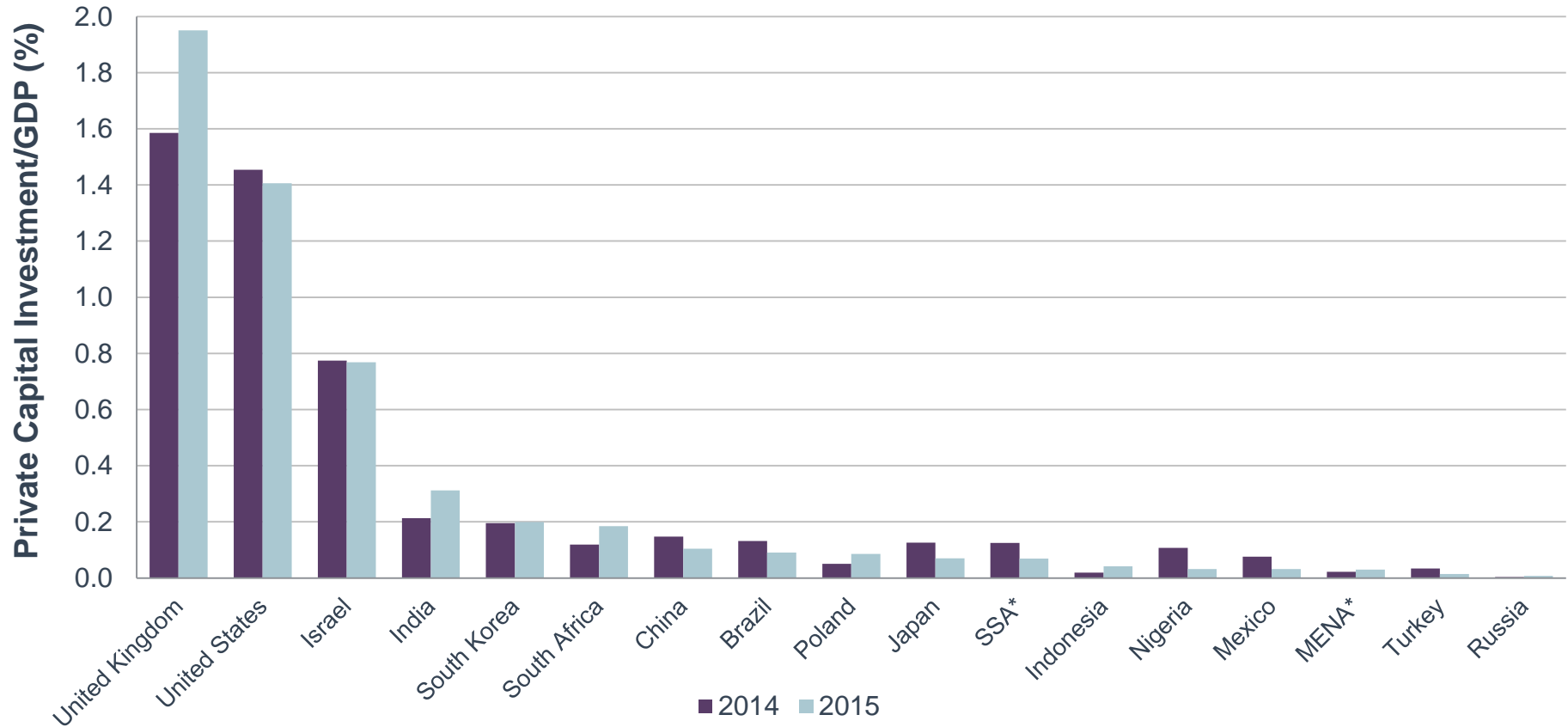
- business development impact,
- demonstrating effect and
- financial return



- Provide growth capital to MSMEs to foster **financial inclusion, job creation & entrepreneurship**
- **Develop PE markets** and support local (indigenous) managers



## Global PE Penetration – an instrument in short supply



\*Sub-Saharan Africa; \*\*Middle East & North Africa

Source: Emerging Markets Private Equity Association

# ACP private equity fund portfolio



as at 31 December 2015\*

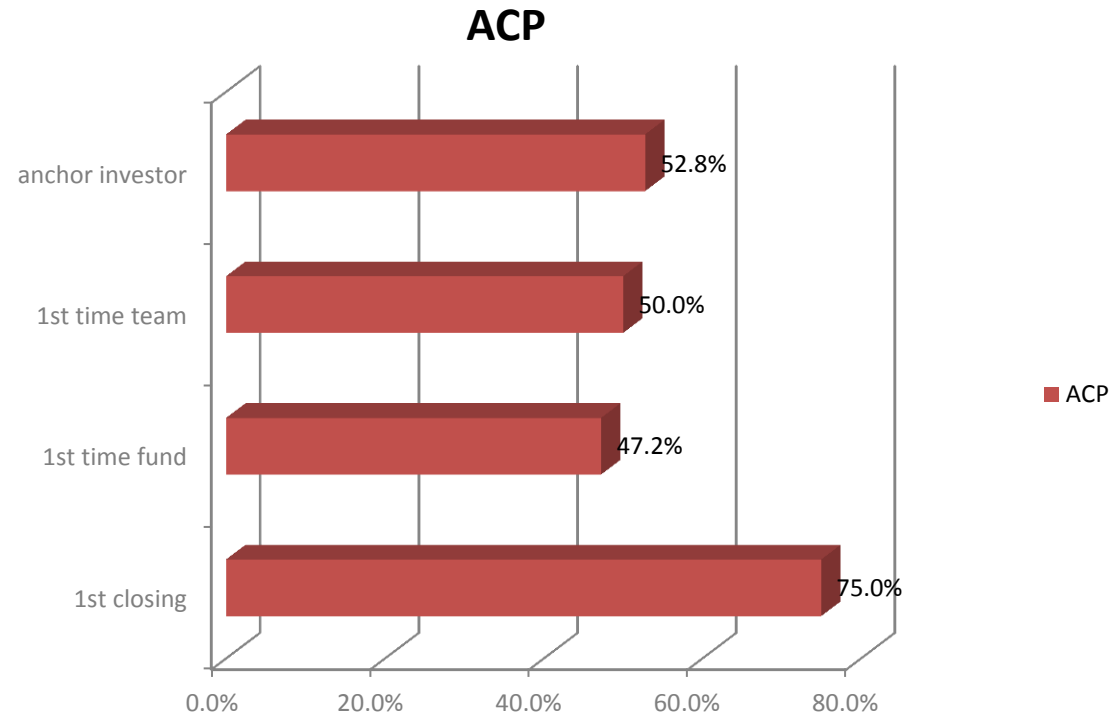
- 51 active private equity funds
- Total EIB commitment: EUR 752m
- Total EIB disbursements: EUR 518m
- Average ticket size: EUR 15m
- Average underlying investment size (in investee): EUR 3.6m
- Main focus on SMEs (36 funds) and on microfinance institutions (15 funds)



\*Most funds in the IF Cotonou portfolio are denominated in USD. Cambio USD/EUR exchange rate as at 31Dec15 applied



# EIB's specificity





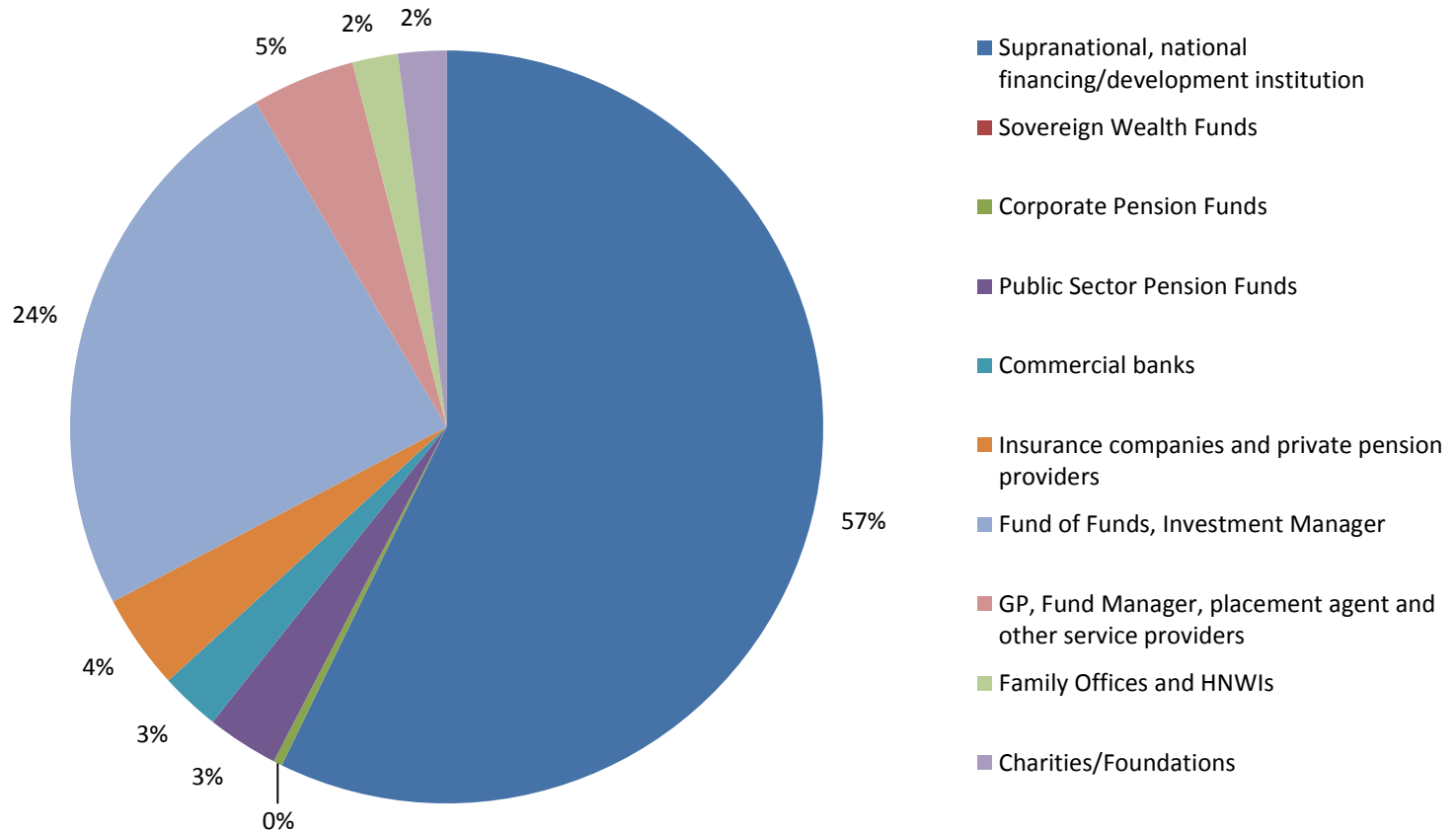
## Anchor investor at first close

### Catalyst effect:

Since 2003 mobilization of third party capital in excess of EUR 3.1 billion → 5 EUR for every 1 EUR invested in a fund by EIB (on average).



# EIB's co-investors in ACP PE funds





# EIB as a long term hands-on partner



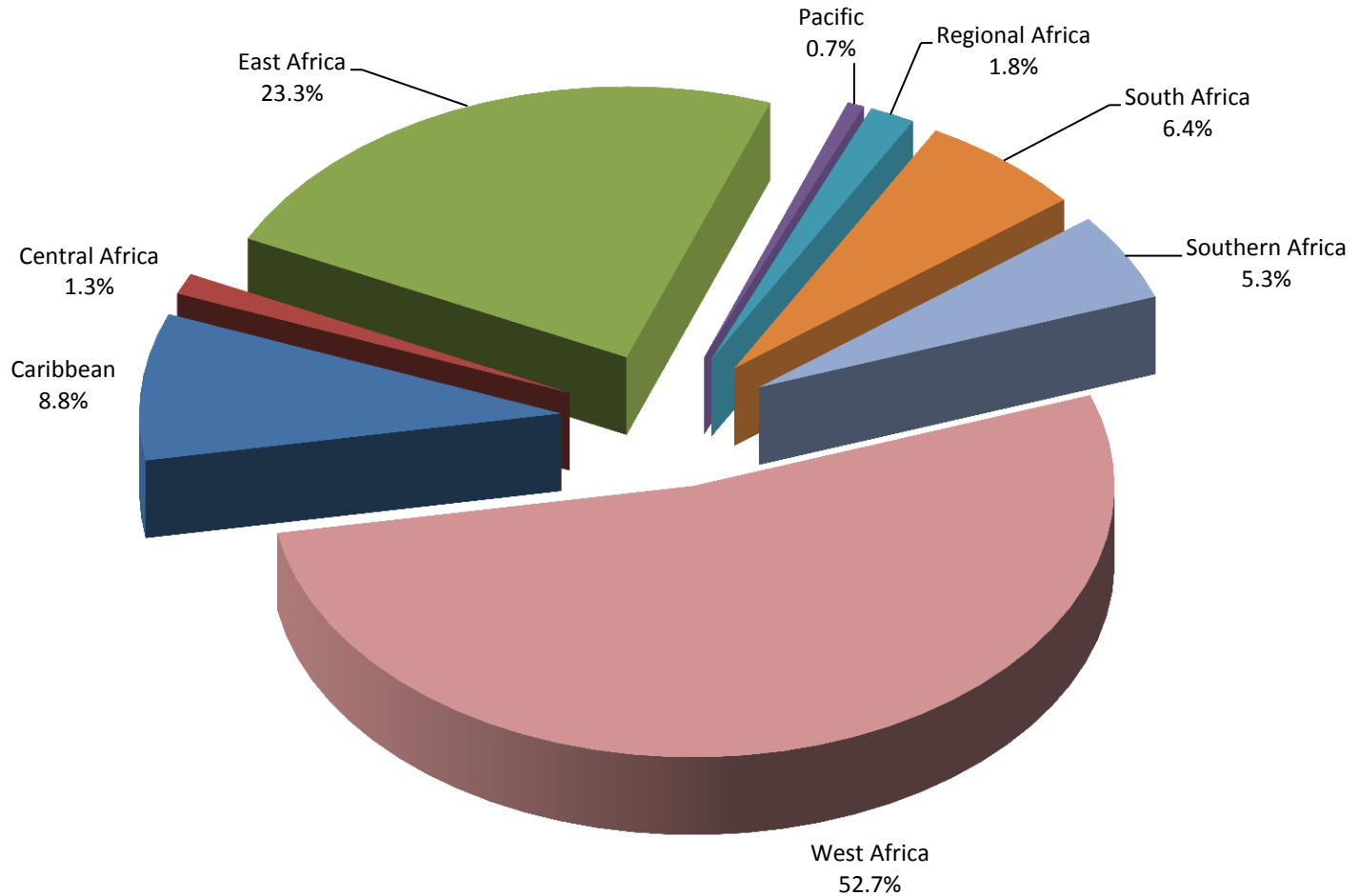
Provides first time teams with hands on assistance :

- shaping the business case at the outset
- structuring the fund
- drafting agreements
- anchor capital + investment in successor funds
- fundraising
- training-on the job, directly and through Tech. Assistance
- contributing to improve corporate governance





# Fund investee companies in ACP regions and beyond





# Performance of active ACP PE fund portfolio

## Financial Performance

The current portfolio yielded a net IRR of 6.04% as at the end of 2015

(25 funds reported net IRR as at end of year 2015)

## Non-Financial Performance

Based on information received from 160 investee companies, EIB has so far helped create/maintain **95,000** jobs, of which

- ✓ 88% were full-time jobs,
- ✓ 27% of all jobs were held by women, and
- ✓ 13% of all employees were  $\leq 25$  years old.



## Example of a Social Impact Fund: Novastar

- Novastar will support early stage businesses that provide goods and services transforming low-income consumer markets (the « base of the pyramid » - BoP)
- Target total size: USD 80m – First closing Q2 2014 at USD 40m
- Prospective investors: CDC (USD 15m), FMO, Norfund (USD 10m each), private investors (Lundin, Rwanda Pension fund, etc.) and EIB-IFE (USD 10m).

