

FCA

Investments



IMPACT REPORT 2021



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This annual report aims to reflect on the progress of our operations and investments, the associated impact, and the challenges faced in 2021. 2021 was not smooth sailing for FCA Investments (FCAI) nor many of the target Small and Medium-sized Enterprises (SMEs). However, with your support (our stakeholders and partners), FCAI managed to serve its investees and grow in terms of portfolio and impact footprint.

FCAI operates in least developed countries and challenging contexts (mainly in East Africa) where the need to address 1) SME's low productive capacities, 2) irregular/non-standard business practices, and 3) limited access to affordable finance is key to achieving inclusive and sustainable economic growth.

FCAI is focused on serving responsible and growth-oriented SMEs, and the vulnerable communities in which they operate, by offering business development services and finance to those SMEs.

By putting "Impact" at the heart and centre of our strategy, FCAI's interventions are heavily tilted towards creating positive social and environmental change in the targeted geographies (i.e., Uganda, Somalia, and Kenya).

Strategic Highlights

FCAI is an impact-driven company specializing in Small and Medium-sized Enterprise (SME) development with a strong belief in the role of responsible, economically viable, socially, and environmentally sustainable SMEs as drivers for building sustainable and inclusive economic growth in developing countries.

FCAI's mission is to make capital and skills available for economically, socially and environmentally sustainable SMEs that work to improve livelihoods in target countries.

Unlocking SMEs' productivity and growth takes more than money. Therefore, FCAI will put more emphasis on providing business development services (BDS) for target SMEs (pre and post financing) moving forward. These services will help develop key management practices of client-SMEs and at the same time de-risk the future investment in them and reduce the financing cost. We aim to integrate the BDS facility in the financing model as opposed to treating it as a complementary or side product.

Foreword

A world where the most vulnerable contexts are empowered through a resilient and responsible private sector."

FCAI's Vision

When we hear the word SMEs, all we can think of is possibilities!

Inclusive economic growth in the least developed countries and fragile contexts will not be attainable without nurturing SME ecosystems that can help SMEs grow responsibly and sustainably. FCAI aims to play a pivotal role in that ecosystem by not only investing in promising and growth-oriented SMEs but also providing business development services to advance and accelerate that growth journey.

We cannot stress enough the importance of the SME sector in terms of job creation, structural economic transition, and fighting against poverty and conflicts, but maybe we don't have to. The strong evidence to back this argument is there. In 2021, we have been also contributing to building this evidence through research. Impact does not materialize through action, but through well-informed action.

As the whole world and especially the least developed countries stumble into a myriad of challenges, tapping into the SME sector as an opportunity to address some of these challenges sustainably is key.

Challenging as it was, 2021 was also a year of achievements and forging partnerships. We managed to add new companies successfully to our portfolio, approve three co-investments, and actively work with like-minded actors to promote SME ecosystem development in the target countries. As the journey continues, I look forward to advancing our cause and scaling our interventions to contribute to the realization of the UN sustainable development goals (SDGs).

Jukka-Pekka Kärkkäinen
CEO, FCA Investments Ltd
April 2022

EXECUTIVE SUMMARY


€10.6M

Invested in SMEs in developing countries (as of Dec. 2021)


38

SMEs financed (directly or through funds) of which **26** are in the Agri-Sector and food supply chains (accumulative as of Dec. 2021)

1,011

Jobs created and maintained in the Agri- and food processing sector as of Dec. 2021

€619K

Value of all transfers to government made by the supported SMEs during 2021.

3

Direct investments (out of 7) made in women led/owned SMEs (as of Dec 2021)


€3.9M

Invested in Microfinance institutions in emerging and frontier markets (as of Dec. 2021)


3,192¹

employees in the supported SMEs of which **72% are young** (18-35 Y) and **29%² are women** (as of Dec. 2021)

During 2021, the total payments to small scale farmers amounted to

€2.6M

¹ The numbers associated with co-investing (by FCAI and Yield Fund) are calculated only once to avoid duplication.

² Up from 21% last year. In many low-income countries, women tend to have more engagement with microenterprises and businesses at the bottom of the value creation as opposed to productive-SMEs. That is something we want to change by pushing our investee-companies to attract and encourage more women's participation in their operations.

Since its inception in late 2018, FCAI has made three fund investments. A total commitment of ca. €11.5 million was dedicated to two funds specializing in SME financing whereas the third fund-investment has been made in an intentional microfinance fund with no fixed commitment (as a liquidity management tool in line with FCAI's mandate).

Apart from the fund investments, in 2021, FCAI has successfully executed two direct investments in Somalia amounting to ca. \$1.35m. These two investments are the first made in that country with a direct (expected positive) impact on underserved communities and vulnerable people given the nature of these businesses and the associated value-chains.

In Uganda, the team on the ground grew to 6 staff members who share different, yet complementary, skillsets in investment and SME development. The progress in Uganda in 2021 resulted in adding 4 direct

investments to our portfolio with a total commitment of €2.17m. The impact of these direct investments is expected to go beyond the investee-SMEs to include local suppliers, partners, customers, households, and other stakeholders.

In Kenya, FCAI started in 2021 its market-mapping/-entry activities, part of the expansion plan in East Africa. The progress made in Kenya last year exceeded expectations. As of Dec. 2021, FCAI had an active pipeline and two investment deals in the approval stages. (Note: a local team of two investment analysts is in place as of Jan. 2022).

As of Dec. 2021, the 38 supported SMEs (directly or through funds) have been the employer of 3,192 employees, of which 73% are young, and 29% are women. Those SMEs paid a total of €619k approx. as tax and tax-like fees in the host countries and €2.6m to their small-scale farmers/suppliers during 2021.

FCAI's operations amidst the COVID-19 pandemic:

As the whole world is still suffering from and fighting against the Covid-19 pandemic and the associated health, social, and economic implications, it has become clearer that our global challenges cannot be overcome without collaboration, solidarity, harmony, and consistency.

Covid-19, as a global pandemic, does not differentiate among geographies; however, countries, communities, governments, industries, and companies do differ in their resilience and ability to respond to it and to recover from its repercussions.

The pandemic has imposed tough challenges on FCAI in 2021. Some of the team members, partners, and SMEs' staff were infected by the virus and suffered from (mild to a large extent) symptoms despite all the taken measures. In addition, supply chains' disruptions, prices' fluctuations, and other economic difficulties resulted in some rescheduling of the capital disbursements and repayments, and also significant delays in the execution of two direct investments. These challenges put FCAI and its management under pressure and tested the ability to react promptly and effectively.

Despite these challenges, FCAI (as an entity specializing in SME development in developing markets and fragile contexts) will keep promoting and advocating for supporting responsible and growth-oriented SMEs as a tool to boost economic resilience, create decent jobs and sustainable livelihoods in target countries.

WHY is SME Development important?

SMEs are an engine for economic growth and job creation. However, in many developing countries, SMEs lack the finance and support they need to grow sustainably and unlock their potential. We see this as an opportunity given our strong belief in the role of economically viable, socially, and environmentally sustainable SMEs in driving sustainable and inclusive economic growth.

Main Targeted Sectors

As per its mandate, FCAI focuses on value creation and improving the productive capacity of the target SMEs and the associated value-chains, especially regarding the direct investment. In principle, the productive sectors attract special attention with an emphasis on:

-  **Farming**
-  **Agribusiness**
-  **Fisheries**
-  **Livestock**
-  **Poultry**
-  **Manufacturing**
-  **Renewable Energy**

These sectors are believed to be the largest overall employers, who also tend to employ a substantial number of women and youth and provide better access to basic goods and services. In addition, FCAI is open to investment in other impactful sectors (**e.g., Hi-Tech**) that have a strong connection to the productive sectors mentioned above.

Across the spectrum of private sector development and given the challenging contexts of the target countries in which it operates, FCAI considers building resilient and responsible SMEs an essential step towards having inclusive and sustainable economic growth.

Portfolio Companies:

Uganda

In addition to the strong presence of the parent foundation (Finn Church Aid – FCA) in Uganda and the close collaboration with Yield Fund Uganda, FCAI has been actively working with other partners and like-minded actors in several areas. These areas include pipeline building, co-investing, and SME capacity building to advance its operations in the country.

As of December 2021, the active pipeline in Uganda consisted of 6 deals totalling €4m+. These deals (prospective SMEs) are active in the Agri-business, food processing, and Fintech sectors.



Kande Poultry Farm - Uganda

1. Kande Poultry Farms

Kande Poultry Farm (KPF) is a family-owned business set up in 2008 as a 2,000-chicken layer farm employing the deep litter farming system. The business has since expanded to 30,000 layers using a battery cage system with a daily average egg production of 23,000 eggs. With the investment received from FCAI, the farm has started a second expansion round to increase its capacity to 50,000 layers and ultimately hit 100,000 layers (70,000 eggs per day) by the end of 2024.

Impact Themes:

- Increasing Access to and Use of Quality Eggs
- Increasing Farm Profitability
- Increasing Financial Health of Smallholder Farmers and Employees
- Improving Layer Poultry Farming Practices, pollution prevention, and waste management
- Sustainable energy

As per the 5-year ESG action plan, KPF is working on improving:

- The governance structure and management procedures of the company
- The chicken welfare to reach the ISA/FAO standards related to poultry and egg production.
- The manure collection mechanism to prevent contact with soil (drying or bio-digesting system) and to produce bio-fertiliser by using a renewable source of energy.
- Working conditions and the environment by putting in place proper safety measures, equipment, and systems.

Key Impact Indicators

Key Impact Metric - Kande	Baseline 2019	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€460,170		As of Dec. 2021
Full-time Employees: Total	21	17		As of Dec. 2021
Full-time Employees: Female	1	2		As of Dec. 2021
Full-time Employees: Youth (18-35y)	12	12		As of Dec. 2021
Percent Female Ownership	100%	100%		As of Dec. 2021
Board of Directors: Female	1	1		As of Dec. 2021
Payments to Supplier Individuals: Smallholder (EUR)	0	€169,509		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period				Jan 2020 - Dec 2020

As of Dec. 2021, the company managed to reach the ISA/FAO spacing standards and properly installed the recommended ventilation system (part of the implementation of the ESG action plan).

2. Ensibuuko

Ensibuuko was founded in 2014 out of the desire to address a real problem that affects millions of people across Africa: the problem of poor banking infrastructure. Most banks are concentrated in urban centres and struggle to reach remote, rural communities¹. The funding size of this investment is \$1m (40% equity and 60% convertible loan). The aim is to allow Ensibuuko to scale and digitize 10,000 village banks and ensure better access to savings, cheaper and faster credit for an additional 100,000 unique clients. Digitization of Village Banks and SACCOs increases their profitability, efficiency, productivity, and sustainability in addition to reducing misconduct in these institutions through increased visibility of transactions.

¹ <https://ensibuuko.com/>

Impact Themes:

- Improving access to financial services in under/served areas.
- Improving smallholder farmers' income security through crop insurance services.
- Helping stabilize livelihoods due to the availability of essential financial services.



Signing the investment Agreement - Ensibuuko

Key Impact Indicators

Key Impact Metric - Ensibuuko	Baseline 2020	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€594,829		As of Dec. 2021
Full-time Employees: Total	30	45		As of Dec. 2021
Full-time Employees: Female	8	17		As of Dec. 2021
Full-time Employees: Youth (18-35y)	27	35		As of Dec. 2021
Percent Female Ownership	0%	0%		As of Dec. 2021
Client Companies (e.g. SACCOs): Provided New Access (to products or services)	85	111		As of Dec. 2021
Users: Provided Access (to products or services e.g. online banking)	€235,000	€305,000		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€ -	€ -		Jan 2020 - Dec 2020

Part of the ESG action plan and to ensure reliable services, Ensibuuko keeps on improving its cyber security system and protocols.

3. EPL

DIRECT INVESTMENTS

Egg Production Uganda Ltd (EPL) is an FCA owned poultry farm incorporated in 2019 and located in Minyama District in Central Uganda. EPL represents a new and ambitious attempt by **the Women's Bank** (part of FCA Group) to advance the livelihood portfolio through direct 'impact' investments with an ultimate objective of incubating an impactful business that demonstrates a sustainable model of poultry (egg) farming in Uganda.

The investment was made jointly by FCA and FCAI in which FCAI provided a €100,000 loan and technical assistance (to achieve commercial viability and responsible business conduct) and FCA provided an equivalent amount in a form of grant.

Impact Themes:

- Job creation
- Improving the livelihoods of the supplying farmers
- Promoting women's entrepreneurship
- Food security and sustainable egg production

Key Impact Indicators

Key Impact Metric - EPL	Baseline 2021 ²	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€100,000		As of Dec. 2021
Full-time Employees: Total	14	14		As of Dec. 2021
Full-time Employees: Female	3	3		As of Dec. 2021
Full-time Employees: Youth (18-35y)	14	14		As of Dec. 2021
Percent Female Ownership	57%	57%		As of Dec. 2021
Total revenue	€222,637	€222,637		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€ -	€ -		Jan 2020 - Dec 2020

EPL made also significant progress in terms of waste management, water consumption and safety measures part of the implementation of the ESG action plan.

² The investment closed in 2021 therefore the 2021 Impact data and the baseline data are not different.

4. Amfri Farms

Incorporated in 1998, **AMFRI Farms Ltd** (trading as **African Organic**) is a company specializes in the production, processing and export of fresh, dry and frozen organic fruits, vegetables, herbs, spices, cereals, seeds and nuts. The company's main export markets are the EU (all products), USA (vanilla and dried fruits) and UAE (all products).

The investment in Amfri Farms is jointly made by FCAI and Yield Fund Uganda (the lead investors) with a total funding size of €1,320,000 (FCAI's contribution is €495,000). It is a turn-around investment with the financing and associated technical assistance aimed at ensuring that the business can harness its potential and break out of its current peak and trough performance onto a sustainable growth trajectory.

Impact Themes:

- Export of high quality, certified and traceable Agri-products
- Job creation in the farms and production facilities
- Improving and ensuring sustainable farming practicing
- Carbon sink and forest preservation.



Key Impact Indicators

Key Impact Metric - AMFRI Farms	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€319,275		As of Dec. 2021
Full-time Employees: Total	190	190		As of Dec. 2021
Full-time Employees: Female	71	71		As of Dec. 2021
Full-time Employees: Youth (18-35y)	136	136		As of Dec. 2021
Value of total export	0	0		As of Dec. 2021
Payments to Supplier Individuals: Smallholder	-	-		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€115,060	€115,060		Jan 2020 - Dec 2020

5. Sausage King

DIRECT INVESTMENTS

Incorporated in February 2019, **Sausage King 3000 (U) Ltd** (trading as **Sausage King**) specializes in the production of sausages and ancillary products from beef, chicken, and pork mixed with plant-based ingredients. Sausage King is an early-stage high growth business in the FMCG sector with a lot of potential.

The investment was made jointly by FCAI (the lead investor contributing \$650K) and Yield Fund Uganda (the con-investor contributing \$500K).

Impact Themes:

- Job creation (employees and distributors)
- Improving the livelihoods of the suppliers (due to the company's growth and enhanced quality of the supply)
- Responsible street cooking and grilling practices

Key Impact Indicators

Key Impact Metric - Sausage King	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€469,440		As of Dec. 2021
Full-time Employees: Total	8	8		As of Dec. 2021
Full-time Employees: Female	0	0		As of Dec. 2021
Full-time Employees: Youth (18-35y)	2	2		As of Dec. 2021
Value of total export	-	-		As of Dec. 2021
Total Revenue	€1,028,798	€1,028,798		As of Dec. 2021
Payments to Supplier Individuals: Smallholder	NA	NA		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€ -	€ -		Jan 2020 - Dec 2020

Somalia

DESPITE THE CHALLENGING and fragile context of Somalia, FCAI managed to conduct a successful feasibility and market study (during 2019-2020) to map the financial sector and the SME’s needs in the country to prepare for active and effective investment processes. The project has been funded by FCAI and Finnpartnership and it has resulted in collaborations with different actors and establishing proper investment products and modalities to ensure impactful and successful interventions.

As of Dec. 2021, FCAI has approved two investments in the Somaliland region and managed to build an active pipeline comprises 6 companies (active in the renewable energy, fisheries, Agri- and food processing sectors) across the different Somali states.



Berbera Tannery - Somaliland

6. Molto Ice-cream

Molto Ice-cream is a small-scale ice cream manufacture and distributor based in Hargeisa, Somaliland. The company is currently the only ice-cream manufacture utilizing locally sourced ingredients (Camel Milk and Fruits) in its production processes. The business is marketed and distributed through three channels including a factory outlet / model shop, retails outlets and solar refrigerated tricycles. As part of its growth plans, the company also plans to introduce coffee, juice, and snacks over the course of its next expansion phase.

FCAI approved in 2021 an investment of \$418,019 in Molto through Murabaha (an Islamic Finance Instrument).

- Impact Themes:**
- Improving productivity and efficiency
 - Scaling business operations
 - Job creation and livelihoods of small-scale suppliers
 - Promoting solar power

Key Impact Indicators

Key Impact Metric - Molto Ice-cream	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€206,249		As of Dec. 2021
Full-time Employees: Total	46	46		As of Dec. 2021
Full-time Employees: Female	9	9		As of Dec. 2021
Full-time Employees: Youth (18-35y)	46	46		As of Dec. 2021
Female Ownership Percentage	75%	75%		As of Dec. 2021
Total Revenue	€109,067	€109,067		As of Dec. 2021
Payments to Supplier Individuals: Smallholder	-	-		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€4,917	€ 4,917		Jan 2020 - Dec 2020

7. Berbera Tannery (BT)















BT is the only functional Tannery in Somaliland today with an installed capacity of over 840,000 skins per annum (projected to double to 1.7 million as a result of the investment). The investment (\$914K through Murabaha financing) ensures that BT can continue to play a crucial role in processing hides and skins that would otherwise become pollutants, as they would be dumped in the open.

The investment is structured to allow BT to add value and move from using chromium as the tanning agent in its production process to more sustainable vegetable tanning agents thus improving the over-all environmental impact of the tannery. In addition, the investment in BT allows FCAI to leverage BT to improve ESG practices across the livestock value chain, which is the backbone of the Somali Economy.

Impact Themes:

- Promoting responsible production and tanning processes
- Value adds (by upgrading the production facility)
- Job creation
- Exporting quality products

Key Impact Indicators

Key Impact Metric - Berbera Tannery	Baseline 2021	Realised	SDGs	Time Frame
Total amount of capital invested in the portfolio company (EUR)	NIL	€509,911		As of Dec. 2021
Full-time Employees: Total	40	40	 	As of Dec. 2021
Full-time Employees: Female	0	0	  	As of Dec. 2021
Full-time Employees: Youth (18-35y)	40	40	  	As of Dec. 2021
Total Revenue	€604,890	€604,890	 	As of Dec. 2021
Value of all transfers to the governments made by the investee-companies during reporting period	€13,300	€ 13,300	  	Jan 2020 - Dec 2020

Kenya

IN KENYA, FCAI started in 2021 its market-mapping/-entry activities, part of the expansion plan in East Africa. The progress made in Kenya last year exceeded the expectations. As of Dec. 2021, FCAI had an active pipeline consists of 4 deals out of which, two were in advanced stages. (Note: no direct investment made in the country in 2021).

Gibson Coffee - Potential Investee-SME, Kenya



Capital for Development (C4D) Asia Fund

FCAI committed in late 2018 to invest \$8.5 million (approx. €7.5 million) in the \$30 million **C4D Asia Fund**. The fund finances growing and inclusive Small and Medium-sized Enterprises (SMEs) that demonstrate strong social-economic impact for the under-served communities in Asian emerging economies, primarily in India, Indonesia, and the Philippines.

The investment strategy of the Capital 4 Development Asia Fund is geared to bridge the finance gap. The fund views the combination of economic growth, and the solutions SMEs have to offer as an opportunity to contribute to inclusive economies and achieving the Sustainable Development Goals.

Though the fund is sector agnostic, it invests typically in SMEs in the following sectors because of the impact potential:

-  **Agriculture-related activities**
-  **Food processing**
-  **Renewable energy**
-  **Education and skill development**
-  **Financial inclusion**
-  **Healthcare**
-  **Sustainable consumer goods**





















Impact Objectives¹

- Creating decent and sustainable jobs, providing employees with (new) skills and stable incomes to improve their living conditions and opportunities.
- Improving the market position of small, underserved suppliers and entrepreneurs to grow their business and positively impact (local) economies.
- Offering affordable and quality products and services to low-income and vulnerable populations by providing them access to better, innovative, more efficient, more sustainable solutions, which have the potential to improve their living conditions.
- Boosting the development of efficient and sustainable supply chains by supporting supply chain integration and solutions to market inefficiencies, which can improve linkages, lower costs, improve sustainability outcomes, strengthen the position of vulnerable players, and increase outreach.
- Supporting gender equality by encouraging gender balanced business strategies, including women in supply chains and staffing, and by investing at least 30% of the committed capital in women-led SMEs.

¹ <https://www.c4dpartners.com/funds-under-management>

Key Impact Indicators¹

Indicators	Values	Related SDGs	Time Frame
No. of SMEs Supported/financed	22		Accumulative as of Dec. 2021
No. of employees in the supported SMEs	2720	 	As of Dec 2021
No. of employees in the supported SMEs (female)	775	  	As of Dec 2021
No. of employees in the supported SMEs (young 18-35Y)	2001	 	As of Dec 2021
Total amount of capital invested in the portfolio companies to date (EUR) .	€16,689,271		Accumulative as of Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period (India)	€258,154	  	Jan 2021–Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period (Indonesia)	€5,350	  	Jan 2021–Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period (others)	€8,365	  	Jan 2021–Dec 2021

¹ Some figures were converted (from local currencies to USD) as per the average annual FX rage

Yield Uganda Investment Fund

The Yield Uganda Investment Fund is a partnership between public and private investors that offers innovative and tailored financial solutions, using equity, semi-equity and debt to Small and Medium-sized Enterprises (SMEs). These businesses have the potential to generate both strong financial returns and significant social impact. Deloitte Uganda and Pearl Capital Partners Uganda (PCP) established the fund, currently managed by PCP Uganda, with the mandate to make investments in the range of €250,000 to €2 million (approx. UGX 1 billion to UGX 8.5 billion).

Yield Fund was launched by The European Union (EU), the International Fund for Agricultural Development (IFAD) and the National Social Security Fund (NSSF) in January 2017, and it is also backed by The Soros Economic Development Forum (SEDF) and FCA Investments that committed to invest €4m in this €20m Fund.



Impact Objectives²:

- Yield Fund seeks to support businesses with a clear competitive advantage and ambitious local management.
- The fund aims to benefit the Ugandan economy by improving an estimated 100,000 rural household livelihoods and increasing access to markets for an estimated 26,000 farmers.
- It also creates jobs and employment opportunities and ensures food security while generating income, foreign exchange, and new export opportunities – all fundamentally contribute to Uganda's economic growth and the Sustainable Development Goals (SDG) objectives.

Key Impact Indicators¹

Indicators	Values	Related SDGs	Time Frame
Number of Agri-SMEs supported/financed to date	10		Accumulative as of Dec 2021
No. of permanent employees in the supported SMEs	386		As of Dec 2021
No. of permanent employees in the supported SMEs (female).	135		As of Dec 2021
No. of permanent employees in the supported SMEs (young 18-35 Y)	234		As of Dec 2021
Total value of investment contracts between the fund and investee-SMEs to date (EUR)	€12,006,657		Accumulative as of Dec 2021
No. of farmers supplying investee company during reporting period (female)	414		Jan 2021 - Dec 2021
No. of farmers supplying investee company during reporting period (male)	1,135		Jan 2021 - Dec 2021
Total payment to small-scale farmers during reporting period (EUR)	€2,465,330		Jan 2021 - Dec 2021
Value of all transfers to the governments made by the investee-companies during reporting period (EUR - Uganda)	€214,025		Jan 2021 - Dec 2021
Value of exports of the supported SMEs during reporting period. (EUR)	€1,168,323		Jan 2021 - Dec 2021

¹ The fiscal year of three out of seven portfolio companies is (May-Jun)

² FCA Investments commits 4 million euros to Yield Fund Uganda – Finn Church Aid ([kirkonulkomaanapu.fi](https://www.kirkonulkomaanapu.fi))



Clark Farm - Yield Fund Uganda

BlueOrchard Microfinance Fund (BOMF)

Aside from its strategic investments in the C4D Asia Fund and the Yield Uganda Fund, FCAI is currently investing in three **BOMF** Series (investment products) mainly for liquidity management and an impactful use of the temporarily available capital. The Blue-Orchard Microfinance Fund (BOMF) was founded in 1998, by the initiative of the UN, as the first private and fully commercial microfinance investment fund in the world. Since its inception, it has been managed strategically as a pure fixed-income fund, investing in microfinance institutions in emerging and frontier markets with systematic currency hedging. This allows investors to obtain stable and attractive financial returns while fostering financial inclusion.

Note: the FCAI invested capital as of 31 December 2021 amounted to ca. €4m. Yet, that amount is frequently changing and is expected to decrease significantly based on the calls received from the other funds and the capital needed for direct investment.



Impact Objectives³:

- The BlueOrchard Microfinance Fund fosters financial inclusion and shared prosperity.
- Microfinance institutions provide loan capital and, increasingly, savings, insurance and related products to low-income groups, enabling them to create and grow income-generating activities and break out of poverty.
- The BlueOrchard Microfinance Fund supports microfinance institutions in expanding their outreach, improving the quality and appropriateness of their financial services, and encouraging new products such as savings, insurance and payment services.

Key Impact Indicators

Given the size of BOMF (over \$2 billion AUM approx.), FCAI opted not to report on the “key Impact Indicators” associated with BOMF to avoid “Impact Washing”. The investment made in the fund does not bring significant financial additionality to the BOMF from the management perspective.

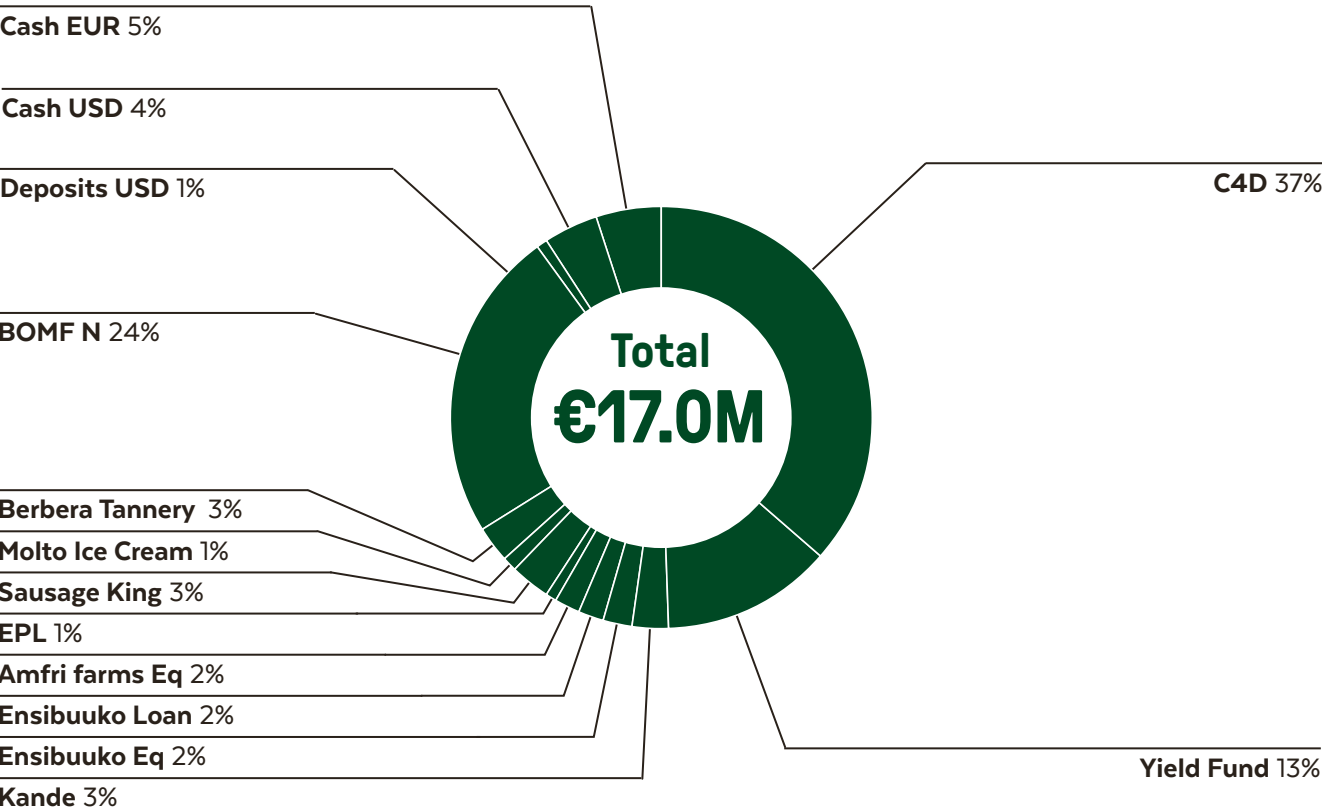
³ BlueOrchard Microfinance Fund - BlueOrchard

HIGHLIGHTS AND KEY IMPACT-RELATED NOTES

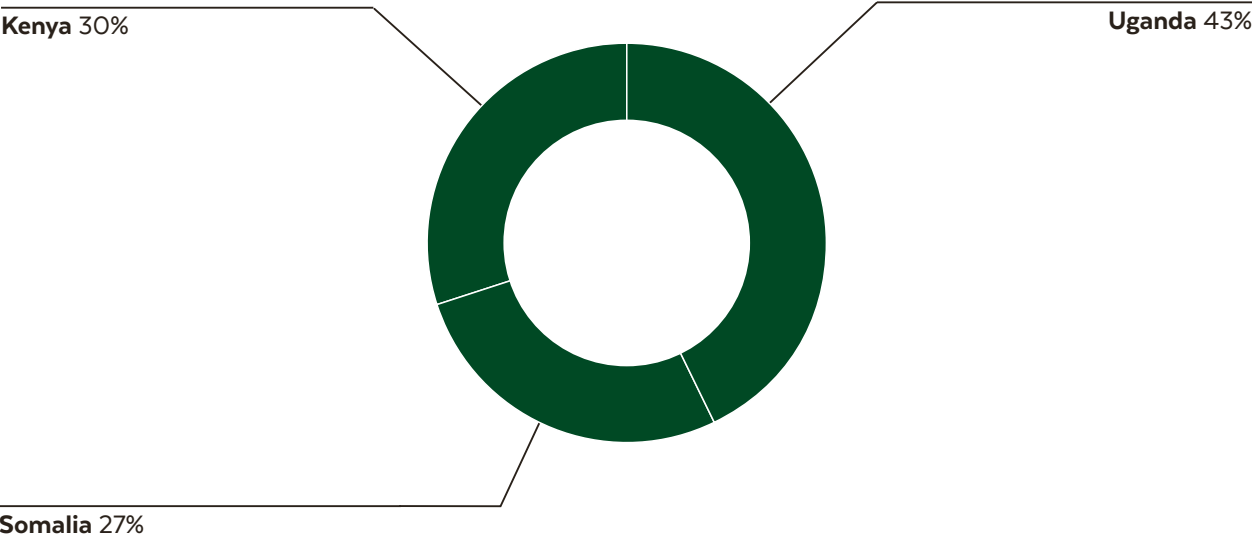
The FCAI Portfolio in numbers: Allocations and Financial Highlights

Name	Currency	Commitment	Outstanding Invested Amount (EUR)	Valuation (EUR)	Portfolio Allocation
C4D	USD	8,500,000	5,636,647	6,344,759	37%
Yield Fund	EUR	3,613,013	2,234,304	2,234,304	13%
Kande	EUR	496,706	496,706	496,706	3%
Ensibuuko Eq	USD	400,000	329,951	329,951	2%
Ensibuuko Loan	USD	600,000	264,877	264,877	2%
Amfri farms Eq	EUR	309,375	309,375	309,375	2%
Amfri farms Loan	EUR	185,625	9,900	9,900	0%
EPL	EUR	100,000	100,000	100,000	1%
Sausage King	EUR	574,864	469,440	469,440	3%
Molto Ice Cream	USD	418,019	206,249	206,249	1%
Berbera Tannery	USD	934,256	509,911	509,911	3%
BOMF N			3,941,187	4,031,432	24%
Deposits USD				119,106	1%
Cash USD				662,839	4%
Cash EUR				868,183	5%
Total				16,957,033	100%

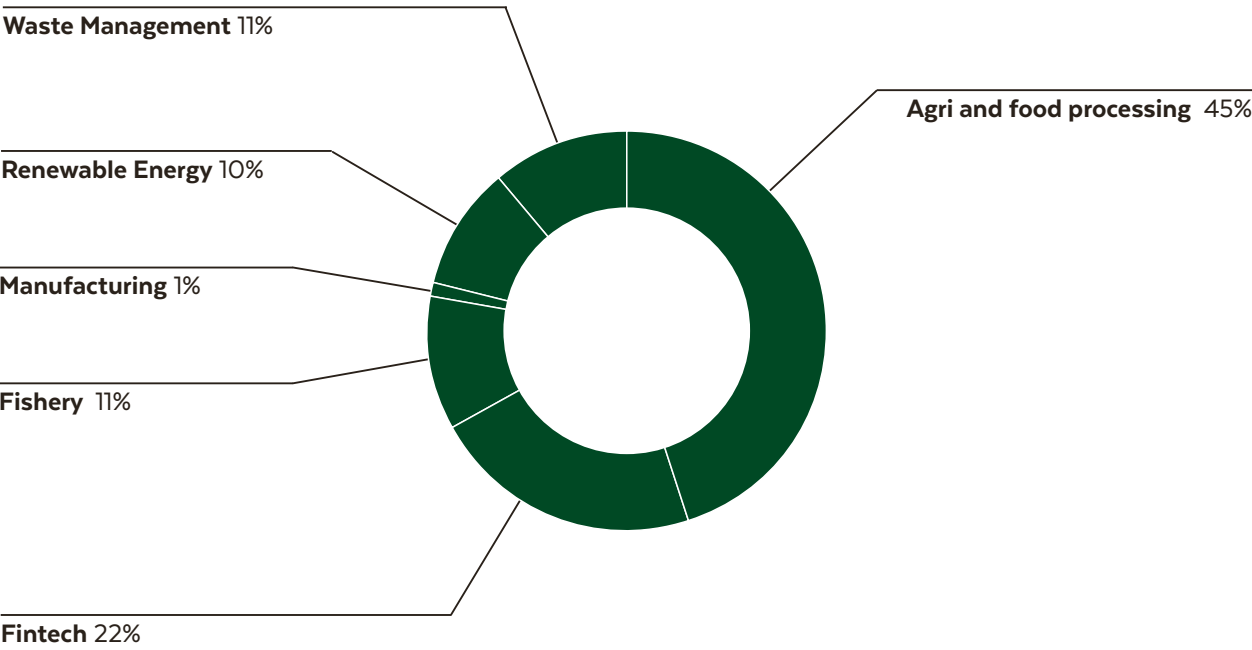
Portfolio Allocations Dec. 2021



Pipeline Regional Split Dec. 2021



Pipeline Sectoral Split - Dec. 2021



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**MAKING FUNDING AND SKILLS AVAILABLE
FOR ECONOMICALLY VIABLE, SOCIALLY AND
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THAT ARE KEY TO CHANGING LIVELIHOODS
IN LOW INCOME COUNTRIES.**

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