

Broadening perspectives

Investing safely and sensibly: five years of the LMDF Investment Fund

The LMDF (Luxembourg Microfinance and Development Fund) Investment Fund is celebrating its fifth anniversary in 2015. Its goal: to offer investors an attractive investment opportunity that simultaneously offers well-developed social benefits. That's because five years of LMDF represents 30,000 success stories in the fight against global inequality.

An incredible number of micro-entrepreneurs from Latin America, Southeast Asia and Africa have been able to actively improve their lives with the aid of microcredit. Investors also have reason to celebrate thanks to the stable return on investment achieved by the fund. A series of informative conferences and workshops is planned from 6 to 8 May to mark this milestone.

How does the LMDF work?

The fund is accessible to three different types of investors:

- Class A: the State of Luxembourg and the ADA non-profit organisation
- Class B: public institutions
- Class C: private investors

This means that a broad range of investors has the opportunity to participate in the social fund. Private individuals benefit from a risk guarantee from Class A investors. The LMDF's Luxembourg partner banks include, amongst others: BGL BNP Paribas, Caisse d'Epargne de l'Etat, Banque Internationale à Luxembourg, Banque de Luxembourg and Banque Fortuna. They provide detailed information to investors about possibilities and develop tailored concepts with their clients.

The capital paid in eventually finds its way to microfinance institutions in 17 countries. There, it helps small-scale farmers and companies to develop and establish themselves. Women, young adults and rural populations particularly benefit from these microcredit loans, that is to say precisely those disadvantaged social groups most urgently in need of the resources to become independent. With an average loan amount of EUR 1,198, they receive the opportunity to take their futures into their own hands. The number of founders supported has grown incredibly over the past five years: from 5,700 at the start in 2010 to around 30,000 in 2015.

Solid performance

The fund's performance is clear for investors as well. The net asset value is currently EUR 20 million, while last year saw returns of 3% for private investors and 4.1% for institutions. One thing is clear: it is possible to follow a clear social vision while still achieving stable returns. The fund is proud of combining these two goals so successfully.

Five years of LMDF: An overview of events

Various events have been organised in cooperation with partner banks to highlight the fifth anniversary of the LMDF. The focus of the celebrations is on a wide range of stories about the LMDF which clearly illustrate its philosophy. International speakers have been invited to give a human face to the LMDF and its objectives, including Mrs Réki Moussa Hassane, Managing Director of ASUSU S.A. in Niger, and Mr Abdelfadel Lhoussaine, a micro-entrepreneur from Morocco.

The four events:

- Wednesday, 6 May 2015 from 12 noon:
at the headquarters of Banque Internationale à Luxembourg: Conference: Five years of LMDF
– Five years of partnership with BIL – A story that we want to share with you
The event is open to the public, but we ask that you register at: events@bil.com
Information: www.bil.lu
- Thursday, 7 May 2015 at 12 noon:
Workshop with the managers of the Private Banking section of Banque et Caisse d'Epargne de l'Etat
Information: www.bcee.lu
- Thursday, 7 May 2015 from 6 pm at the Centre Culturel Schéiss:
LMDF Anniversary Banquet (with the attendance of the Minister for Development Cooperation and Humanitarian Affairs, Mr Romain Schneider)
- Friday, 8 May 2015 from 12 noon at the headquarters of BGL:
“Corporate Social Responsibility” luncheon
Information: www.bgl.lu

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