



Media Release

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SIFEM AG: Investment activity in a challenging market

The Swiss Investment Fund for Emerging Markets (SIFEM), the development finance institution of the federal government, concluded investment agreements of USD 70 million in 2018. All in all, SIFEM is on track to achieve its strategic objectives for the 2018-2020 period. Market volatility at investment locations however led to an operating loss of CHF 22.5 million in 2018.

SIFEM undertook eight new investments in 2018 in both private equity funds and financial institutions in Latin America, Sub-Saharan Africa and East and Southeast Asia. Almost 40 percent of the capital commitments were allocated to funds in least developed countries, particularly in Sub-Saharan Africa. The funds are intended to help SMEs and fast-growing companies expand and create secure and permanent employment. Companies are supported in complying with and exceeding the requirements of internationally-recognised environmental, social and governance standards.

After the first year of the 2018-2020 strategy period, SIFEM is well on the way to achieving the developmental and financial goals set by the Federal Council. Net job growth fell short of expectations. This is attributable to the difficult economic conditions prevailing in several key countries. SIFEM closed the 2018 financial year with an operating loss of CHF 22.5 million. This loss stems from the impairment of an investment, compared to 2017. In spite of this, the overall pleasing development of the remainder of the portfolio shows that SIFEM's investment strategy is a viable one in the long term.

Jörg Frieden, Board Chairman at SIFEM, remains confident: "As an impact investor in challenging settings, yet with a long-term investment horizon, SIFEM has learnt to contend with the short-term volatility that can occur in these markets. The current portfolio is healthy and I am convinced that the investments that were approved in recent years will generate the returns and development outcomes expected by the Federal Council."

The 2018 Annual Report and revised annual financial statement were approved at the SIFEM Annual General Meeting on 14 May 2019. A detailed insight into the annual figures of SIFEM AG is given in the 2018 Annual Report which can be viewed at www.sifem.ch.

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